

# 2024

## ESG Report



Franbo Lines Corp.

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# About the Report



## Report Preparation Principles

This Sustainability Report (hereinafter referred to as “the Report” ) is published by Franbo Lines Corp. (hereinafter referred to as “Franbo” or “the Company” ). The content and structure of the Report follow the Global Reporting Initiative (GRI) Standards (2021) Core Option, the AA1000 AccountAbility Principles Standard (AA1000APS), and also reference the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Financial Supervisory Commission’ s Corporate Governance 3.0 – Sustainable Development Roadmap, the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) Marine Transportation Standards. The chapters of the Report are organized in alignment with these frameworks to present the Company’ s sustainability efforts and achievements to stakeholders. The Report discloses the Company’ s strategies, goals, and specific actions regarding material topics in accordance with the relevant reporting principles. A detailed GRI and SASB content index, as well as other relevant information, can be found in the Appendices.

## Scope and Source

The Report covers all operational activities of Franbo, its subsidiaries, and its sub-subsidiaries. Environmental information focuses primarily on the fleet operated by the Company, its subsidiaries, and its sub-subsidiaries. Financial information is based on the 2024 consolidated financial statements and auditor’ s report of Franbo, which has been certified by PwC Taiwan. Unless otherwise specified, all monetary amounts are stated in New Taiwan Dollars (NTD). The reporting period for the information disclosed is from January 1, 2024, to December 31, 2024. The Report is the Company’ s third sustainability report, and such reports will continue to be published annually. The Report is reviewed and approved by the Board of Directors prior to publication and is made publicly available on the Company’ s official website. The content has not yet been subject to external assurance/verification.



## Major Operational Changes

The Company has maintained steady development over the past year, with no significant operational changes. Accordingly, there have been no data restatements or changes in reporting practices.

## Report Issuance Date

The Report is the third sustainability report issued by Franbo. The Company will continue to issue a sustainability report on an annual basis.

Issuance Date of the previous report	August 2024
Issuance Date of the current report	August 2025

## Contact Information

If you have any questions or suggestions regarding the content or activities presented in the Report, please feel free to contact Franbo Lines Corp.

Responsible Unit for the Report	Sustainability Committee
Contact Person	Manager Wang, Management Department
Phone	07-969-7988
Email	hrm@franbo.com.tw

## 1-1 Message from the Management

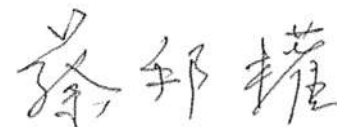
We warmly welcome all stakeholders who care about Franbo Lines Corp to read our sustainability report. The guiding principles of Franbo are “Integrity, Honesty, Fairness, and Ethics”, and corporate social responsibility (CSR) is the cornerstone of our sustainable operations. We remain committed to upholding our core values of integrity, pragmatism, and professionalism while continuously strengthening positive engagement with all stakeholders and joining hands with partners to fulfill our social responsibilities.

With regard to our aspirations for sustainable development, the Company has, since its establishment, pursued the positioning of an internationally recognized professional bulk carrier operator. Along this path, we have continued to build strong core competencies to create lasting competitive advantages that drive corporate growth and expand our scale of operations. At the same time, we align our business strategies with the United Nations Sustainable Development Goals (SDGs) and actively develop ESG initiatives under the principles of CSR to address the interests of all our stakeholders. In doing so, we strive to strike a balance among environmental protection, economic development, and corporate governance, and move steadfastly toward our vision of long-term prosperity and sustainable development.

In recent years, the Company has faced increasing pressures from a rapidly changing global landscape, energy-saving and carbon reduction demands, rising operational costs, and stricter regulatory requirements. In response, we have gradually phased out older vessels and acquired several new energy-efficient ships to build a fleet optimized for operational efficiency. These challenges have also presented opportunities for transformation. We have pursued diversification strategies by expanding into new business areas to mitigate operational risks and broaden revenue sources, thereby enhancing the overall flexibility of our operations. We are deeply grateful to all members of our organization for their dedication and teamwork in tackling the many complex and demanding tasks during this transformation. These essential actions reflect our firm commitment to ESG practices.

We firmly believe that with everyone’s contributions and efforts in implementing ESG initiatives, Franbo will continue to grow stronger and thrive, and remain on track to becoming an A to A+ benchmark enterprise.

Chairman



Pang-Chuan Tsai



## 1-2 2024 Sustainability Performance



### ENVIRONMENT

- In 2024, the Company did not violate any environmental protection regulations and incurred no major fines.
- In 2024, the Company replaced its air conditioning system with an inverter model, saving 19,440 kWh of electricity compared to 2023.

### SOCIETY

- In 2024, there were no discrimination cases, no violations related to forced labor, no occupational diseases, and no major occupational accidents or fatalities.
- In 2024, the Company showed care for the Hualien – Taitung region by donating NT\$1.4 million to support the 2024 Hualien Earthquake Relief Project.

### GOVERNANCE

- In 2024, the Company did not incur any major fines or compensation due to legal violations.
- In 2024, the Company implemented a whistleblower system based on the Ethical Corporate Management Best Practice Principles; no employee reports have been filed to date.
- In 2024, the Company received no complaints regarding customer privacy violations or data loss.
- In 2024, the Company ranked among the top 21 – 35% of enterprises in the 11th Corporate Governance Evaluation.
- Compared to 2023, the Company' s operating revenue increased by 23.68% in 2024.

## 1-3 Group Profile

### 1-3-1 Operational Overview

Since its establishment in 1998, Franbo has upheld a corporate philosophy and culture of “Integrity, Honesty, Fairness, and Ethics” by providing professional quality and comprehensive services, developing into a key transportation partner for bulk cargo, timber, steel, chemical products, and machinery customers. The fleet is committed to delivering diversified, safe, and efficient services. Based in Taiwan, and with a global outlook, Franbo seeks stable profitability.

Franbo’ s business partners are all rigorously screened, trustworthy, and esteemed international companies.

The Company continuously monitors international regulations, expands its fleet, and replaces aging vessels. The fleet includes multi-purpose heavy-lift general cargo ships and bulk carriers that meet diverse customer needs. Over the years, Franbo has built a solid base of domestic and international customers, primarily leasing vessels to medium- and large-sized shipping companies in Japan, Europe, and North America. Its service routes now cover the globe.

To provide customers with high-quality, efficient, and reliable transport services, the Company remains customer-oriented, continually refines and enhances daily operations, and strives to earn trust and cooperation of international customers. Special emphasis is placed on nurturing sustainable talent and promoting team spirit while staying attuned to market trends and strengthening the ability to meet challenges. Rooted in the strong cultural traditions of a local enterprise, Franbo is committed to the goal of sustainable corporate development. While maximizing customer satisfaction and shareholder value, the Company also fulfills its corporate social responsibilities to employees and society.

In 2020, Franbo established a subsidiary, Franbo Asset Management Co., Ltd., which focuses on land resource integration, as well as product planning and design, and aims to develop sustainable business vitality. By partnering



with outstanding construction and sales management teams, the Company leverages each partner’ s expertise to build a mutually beneficial business model within the industry. Each project is centered on differentiated and customized design, driven by professional division of labor and a pursuit of perfection in quality, aiming to create added value for its products and deliver a happy life value to customers through exemplary architecture.

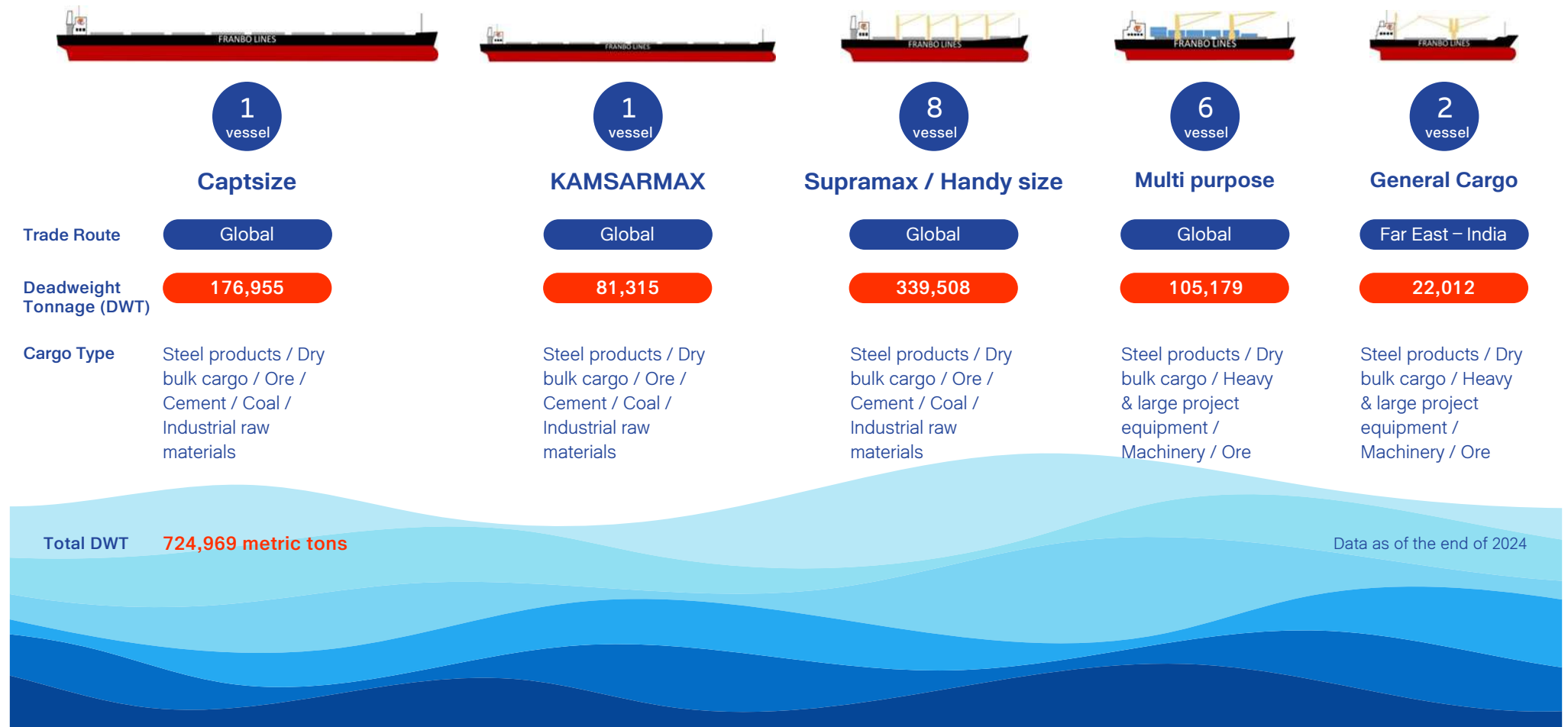
#### ■ Company Profile

#### Franbo Lines Corp.

<b>Date of Establishment</b>	September 29, 1998	<b>Chairman</b>	Pang-Chuan Tsai
<b>Market Category</b>	TPEX-Listed	<b>Number of Employees</b>	59
<b>Stock Code</b>	2641	<b>Head Office Location</b>	3F., No. 31, Haibian Rd., Lingya Dist., Kaohsiung City, Taiwan (R.O.C.)
<b>Industry Category</b>	Shipping Industry	<b>Capital</b>	NT\$3,110,235,000
<b>TPEX Listing Date</b>	October 9, 2014		
<b>Main Business Activities</b>	Shipping agency, marine freight forwarding, and other consulting services		

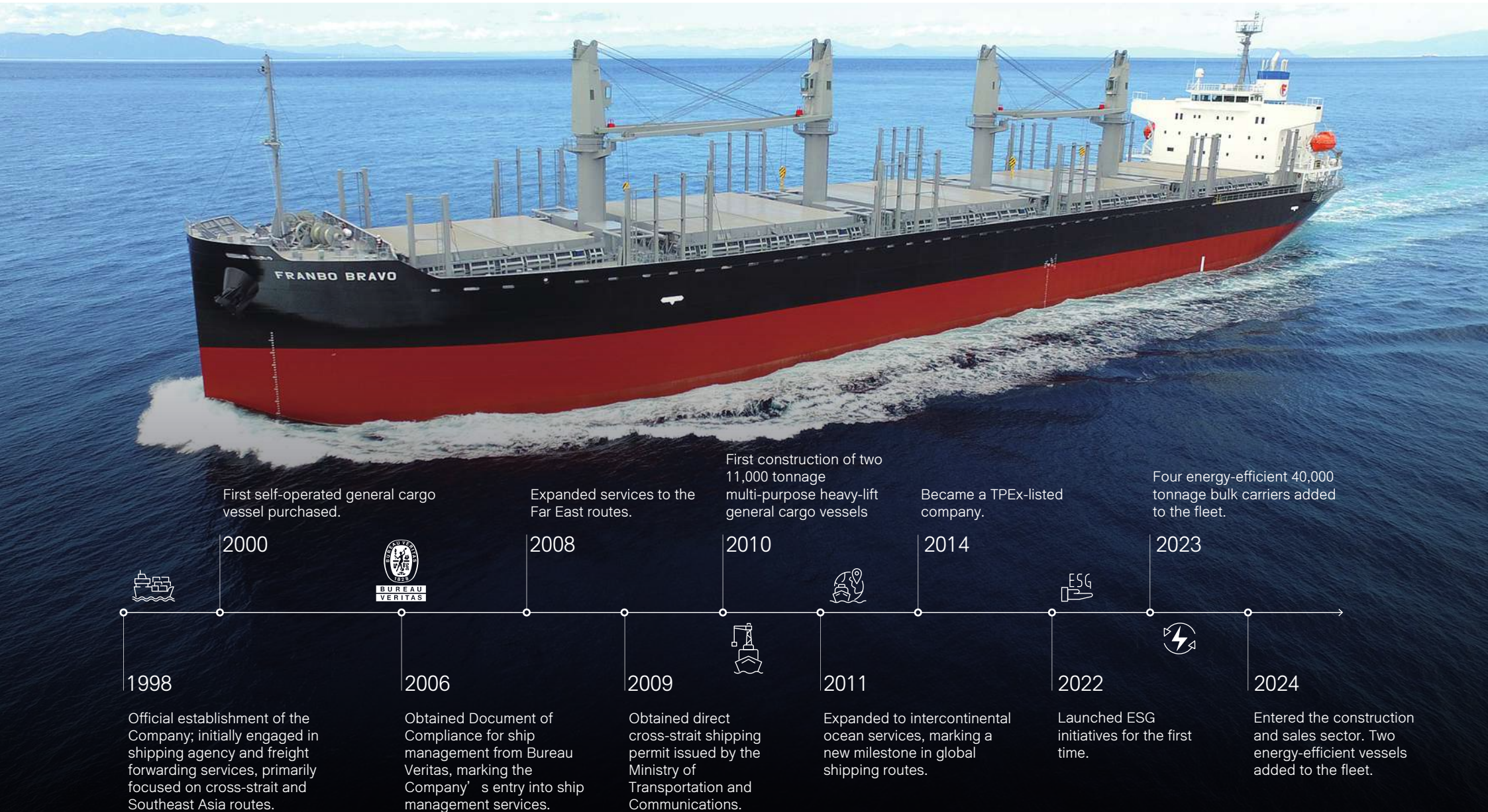
The fleet currently consists of a total of 18 vessels, including 10 bulk carriers and 8 multi-purpose general cargo vessels, with a combined deadweight tonnage of 724,969 metric tons.

In 2024, the global economy continued to be affected by various international market factors such as trade sanctions, wars, and inflation, resulting in a sluggish trade environment that directly impacted the shipping market. However, Franbo Group, having anticipated market trends and international regulatory developments, continued its plan to phase out relatively older vessels. The six newly built vessels ordered from Japan in 2021 were all delivered by 2024 and immediately chartered to reputable international customers under long-term contracts. Furthermore, in an effort to continue expanding fleet tonnage and enhance profitability, the Company initiated a co-investment and long-term charter strategy at the end of 2024. Under this model, Franbo confirmed investment in three second-hand Kamsarmax vessels and four newly built Ultramax vessels. As of the end of 2024, one Kamsarmax vessel had been delivered. The four Ultramax newbuilds are scheduled for delivery starting in the first quarter of 2025, marking steady progress toward a more environmentally friendly and modernized fleet.





## 1-3-2 Franbo Milestones





## 1-4 Business Overview



### 1-4-1 Business Performance

In 2024, Franbo recorded a consolidated operating revenue of NT\$1,654,400,000, representing an increase of NT\$316,740,000 or 23.68% compared to the consolidated operating revenue of NT\$1,337,660,000 in 2023. The growth was primarily driven by the addition of two newly built energy-efficient bulk carriers, which were progressively deployed starting in Q2 2024, resulting in the highest consolidated revenue in the Company's history. Benefiting from the delivery of these new vessels, net income after tax rose to NT\$582,807,000, an increase of 37.32% compared to NT\$424,402,000 in 2023. The table below presents various financial information, along with disclosures on employee compensation and social investment.

#### ■ Consolidated Financial Statement

Unit: NT\$1000 (except for Earnings Per Share, which is in NTD)

Item/Year	2022	2023	2024
Operating Revenue	1,466,949	1,337,660	1,654,400
Gross Profit	768,011	610,234	761,990
Operating Income/Loss	634,364	512,396	676,069
Non-operating Income and Expenses	654,251	6,635	(70,354)
Income Before Tax	1,288,615	519,031	605,715
Net Income After Tax	1,279,911	424,402	582,807
Total Comprehensive Income	1,649,599	406,795	1,037,795
Total Liabilities	2,675,467	2,730,305	4,196,182
Total Equity	5,336,825	6,202,780	8,041,373
Earnings Per Share (EPS)	6.23	1.69	1.92
Dividends	358,735	148,786	156,271
Employee Compensation (including benefits)	256,640	244,437	308,165
Payments to Government	0	0	0
Community Investment	0	0	0



## 1-4-2 Tax Policy and Practices

The Company strictly adheres to domestic tax regulations, accurately calculates tax liabilities, and files and pays taxes within the statutory timeframes to avoid penalties from tax authorities. During the reporting period, the Company did not apply for any tax reductions, credits, investment subsidies, or incentives from government agencies.

Below is a list of the Company's other affiliated enterprises:

### Other Affiliated Enterprises

- 1 New Lucky Lines S.A
- 2 FWF Shipping Limited
- 3 BCTS Capital Inc.
- 4 Uni-Morality Lines Limited
- 5 Franbo Asset Management Co., Ltd.



## 1-4-3 External Associations

The Company actively participates in external organizations to stay informed of the latest developments in sustainability, maritime safety, insurance management, environmental protection regulations, and seafarer-related laws that safeguard seafarers' rights and interests. This engagement also facilitates industry information exchange, which enables the Company to promptly adjust its sustainability strategies and enhance the effectiveness of its sustainable development efforts.

Name of Association/Organization	Membership Status
Kaohsiung International Shipowners Association	Director
National Chinese Seamen's Union	Member
Nippon Kaiji Kyokai (NK)	Member
The Japan Ship Owners' Mutual Protection & Indemnity Association	Member
Steamship Mutual Management (Hong Kong) Limited	Member
Mitsui Sumitomo Insurance Co., Ltd.	Member
Republic of the Marshall Islands Ship Registry	Member
The International Maritime Employers' Council (IMEC)	Member
The International Bargaining Forum (IBF)	Member
Lloyd's Register Quality Assurance (LRQA), UK	Member
Kaohsiung Real Estate Development Association	Member
Pingtung Real Estate Association	Member

## 1-5 Sustainability Policies and Development

### 1-5-1 Sustainability Policies

Franbo upholds the corporate philosophy of “Integrity, Honesty, Fairness, and Ethics” . Centered on its business operations and aligned with material issues of concern to stakeholders, the Company has established sustainability policies focused on sustainable development, shipping strategy, vessel safety, and reducing environmental impacts during operations. At the same time, it values employee well-being and is committed to promoting social harmony. The ultimate goal is to continuously provide reliable transportation services, which serves as the foundation of the Company’ s sustainability policies.

### 1-5-2 Sustainability Committee

To strengthen and enhance Franbo’ s sustainability governance and fulfill its environmental protection and corporate social responsibility (CSR) obligations, the Company established the Sustainability Committee in December 2021. Aligned with the requirements issued by the Financial Supervisory Commission (FSC) and other competent authorities for corporate sustainability governance, the Sustainability Committee is responsible for promoting and consolidating material issues; formulating sustainability policies, management systems, and operational guidelines; and preparing annual work plans. Sustainability initiatives are incorporated into the Company’ s business operations and long-term direction, with regular meetings held to review sustainability performance.

To support sustainable operations and fulfill environmental protection and societal responsibilities, the Board of Directors has approved the Sustainable Development Best Practice Principles as well as the Rules Governing the Preparation and Filing of Sustainability Reports for Company-wide compliance. These policies demonstrate Franbo’ s vision and commitment to economic, environmental, social, and human rights issues.

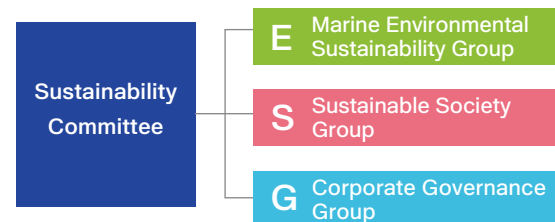
The Sustainability Committee is chaired by the Chairman of the Board, the President serves as vice chair, two vice presidents act as executive secretaries, and department heads comprise the committee members. The committee consists of three working groups: the Sustainable Society Group, the Marine Environmental Sustainability Group, and the Corporate Governance Group. Each group is responsible for communicating with stakeholders and addressing their issues of concern based on their functional areas.

Each year, the groups are assigned to implement strategies related to economic, environmental, and social/human rights matters arising from business activities, based on the impact, risks, and opportunities of various issues. Each group leader is required to report to the Chair on work plans, implementation progress, performance, and results. The outcomes are also reported to the Board of Directors, making sustainable operations a key part of the Company’ s decision-making process.





## ■ Franbo Sustainability Committee



Unit	Responsibilities
Sustainability Committee	<ul style="list-style-type: none"> <li>Formulate the Company's sustainability policies.</li> <li>Plan and execute tasks related to corporate sustainability.</li> <li>Develop and track the progress of sustainability goals, strategies, and action plans.</li> <li>Review and verify the effectiveness of management systems.</li> <li>Compile the sustainability report.</li> <li>Report the execution results of the sustainability report to the Board of Directors annually.</li> </ul>
Marine Environmental Sustainability Group	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions and balance speed and profitability by complying with international environmental regulations and using energy-efficient vessels as well as ballast water treatment systems.</li> <li>Ensure regulatory compliance, minimize port state control deficiencies, focus on vessel maintenance and communication with fleet officers, enhance navigation efficiency and transportation quality, and provide transparent, real-time performance data to customers.</li> <li>Ensure stable supply of environmentally compliant spare parts, materials, and fuel to reduce waste and carbon emissions through supply chain management.</li> <li>Communicate with internal and external stakeholders and safeguard their rights and interests.</li> </ul>
Sustainable Society Group	<ul style="list-style-type: none"> <li>In accordance with labor laws, establish robust systems for onshore and offshore talent recruitment, welfare, care, training and development, performance evaluation, and occupational health and safety policies.</li> <li>Maintain long-term partnerships with reputable crewing agencies, respect seafarers' human rights, ensure proper living conditions at sea to retain crews, and conduct regular training and drills to protect workers' safety and career development, with the goal of cultivating top-tier maritime talent.</li> <li>Handle social engagement initiatives across diverse domains.</li> <li>Oversee internal and external management policies and information security.</li> <li>Compile and analyze stakeholder concern and impact assessment surveys.</li> <li>Communicate with internal and external stakeholders and safeguard their rights and interests.</li> </ul>
Corporate Governance Group	<ul style="list-style-type: none"> <li>Carefully select reputable charterers to reduce default risks, maintain good communication with charterers, and ensure stable revenue and profit.</li> <li>Develop operational strategies aligned with the SDGs.</li> <li>Safeguard the rights and interests of internal and external stakeholders.</li> <li>Conduct risk management evaluations and disclose climate-related financial information based on TCFD, and manage internal controls and audit communication.</li> <li>Define industry-specific metrics with significant financial impact and measurement methods in accordance with SASB standards, based on the risks and opportunities of the shipping industry, to improve information accessibility and usability for investors.</li> <li>Manage the Company's governance performance policies, execution, oversight, and promotion.</li> </ul>

## 1-5-3 Sustainability Implementation

In 2024, the Sustainability Committee held a total of four review meetings to evaluate the progress of ESG-related tasks (risk management and material topics), and submitted two work reports to the Board of Directors. These reports covered organizational changes, climate-related financial disclosures (TCFD), stakeholder engagement and due diligence, material topics, the progress of greenhouse gas inventory implementation and risk management, and the 2023 Sustainability Report.





## 1-6 Stakeholder Engagement

The Company listens to the voices of stakeholders through various communication channels and platforms, and it incorporates their suggestions and concerns into organizational strategies and operational planning. This also serves as a reference for the disclosures in the Report.

### 1-6-1 Stakeholder Communication Channels

The Company values the rights and opinions of its stakeholders and has established open and direct communication channels specifically for them. In addition to providing information related to corporate sustainability, Franbo also strives to understand the issues that matter most to stakeholders. This enables the Company to continuously review and improve sustainability performance. Other approaches are also used to identify stakeholder concerns and respond appropriately. The communication channels and frequencies for each stakeholder group are shown in the table to the right.



Stakeholder	 Government Authorities	 Suppliers/Contractors	 Financial Institutions	 External Rating Agencies
Key Issues of Concern	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Economic performance</li> <li>Ethical management</li> <li>Information security</li> <li>Risk management</li> <li>Taxes</li> <li>Human rights</li> <li>Energy conservation</li> <li>and environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Information security</li> <li>Compliance with environmental regulations</li> <li>Ethical management</li> <li>International environmental conventions</li> <li>Procurement practices</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Taxes</li> <li>Compliance with environmental regulations</li> <li>International environmental conventions</li> <li>Ethical management</li> </ul>	<ul style="list-style-type: none"> <li>Due diligence</li> <li>Labor relations</li> <li>Occupational safety and health</li> <li>Information security</li> <li>International environmental conventions</li> <li>Carbon inventory/ ESG</li> </ul>
Main Responsibilities of the Company	<ul style="list-style-type: none"> <li>Comply with the latest regulations and policy updates issued by competent authorities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct legal and fair transactions</li> <li>Understand and fulfill corporate social responsibility</li> <li>Understand EHS (Environmental, Health, and Safety) requirements and detailed guidelines</li> <li>Provide EHS supervision for construction</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the latest regulations and policy updates issued by competent authorities</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the latest regulations and policy updates issued by competent authorities</li> </ul>
ESG Communication and Response	<ul style="list-style-type: none"> <li>Market Observation Post System (MOPS)</li> <li>Annual report</li> <li>Company website</li> <li>Sustainability report</li> <li>Contact: Mr. Lin, Vice President, Management Office</li> <li>TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>Sign environmental commitment</li> <li>Use fuel compliant with IMO standards</li> <li>Contact: Mr. Teng, Manager, Procurement Management Department</li> <li>Construction: Mr. Hsieh, Assistant Vice President</li> <li>TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>Market Observation Post System (MOPS)</li> <li>Annual report</li> <li>Company website</li> <li>Contact: Mr. Lin, Vice President, Management Office</li> <li>TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>Market Observation Post System (MOPS)</li> <li>Annual report</li> <li>Company website</li> <li>Contact: Mr. Wang, Manager, Management Department</li> <li>TEL: (07) 969-7988</li> </ul>
Communication Efficiency	<ul style="list-style-type: none"> <li>Phone: As needed</li> <li>E-mail: As needed</li> <li>Official correspondence: As needed</li> </ul>	<ul style="list-style-type: none"> <li>Phone: As needed</li> <li>E-mail: As needed</li> <li>In-person visits: As needed</li> <li>Complaint channel: Anytime</li> </ul>	<ul style="list-style-type: none"> <li>Phone: As needed</li> <li>E-mail: As needed</li> <li>In-person visits: As needed</li> </ul>	<ul style="list-style-type: none"> <li>Phone: As needed</li> <li>E-mail: As needed</li> <li>In-person visits: As needed</li> </ul>



Stakeholder	 Employees	 Media	 Customers	 Shareholders/Investors
Key Issues of Concern	<ul style="list-style-type: none"> <li>• Labor relations</li> <li>• Ethical management and anti-corruption</li> <li>• Risk management</li> <li>• Economic performance</li> <li>• Training and education</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Green shipping</li> <li>• Economic performance</li> <li>• Anti-competitive behavior</li> <li>• Ethical management</li> <li>• Biodiversity</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Customer service management</li> <li>• Information security</li> <li>• International environmental conventions</li> <li>• Compliance with socio-economic regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Customer privacy</li> <li>• Information security</li> <li>• International environmental conventions</li> <li>• Compliance with socio-economic regulations</li> </ul>
Main Responsibilities of the Company	<ul style="list-style-type: none"> <li>• Ensure and respect human rights</li> <li>• Employee development</li> <li>• Occupational safety, health, and environmental protection</li> <li>• Flexible benefits and health promotion</li> <li>• Legal and fair treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the latest regulations and policy updates issued by competent authorities</li> <li>• Ensure timely, synchronized, and accurate information disclosure</li> <li>• Implement sound financial strategies to maintain strong credit and operational performance</li> </ul>	<ul style="list-style-type: none"> <li>• Provide high-quality, market-competitive services</li> <li>• Maintain safe ship navigation</li> <li>• Ensure vessel seaworthiness and operational efficiency</li> <li>• Housing sales services</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the latest regulations and policy updates issued by competent authorities</li> <li>• Ensure timely, synchronized, and accurate information disclosure</li> <li>• Implement sound financial strategies to maintain strong credit and operational performance</li> </ul>
ESG Communication and Respons	<ul style="list-style-type: none"> <li>• Regular employee health checkups to care for physical and mental well-being</li> <li>• Quarterly labor – management meetings for two-way communication</li> <li>• Monthly mobilization meetings to gather employee suggestions for management adjustments</li> <li>• Employee welfare and satisfaction surveys to continuously improve systems</li> <li>• Enhance the work environment and care measures to promote positive labor relations</li> <li>• Conduct training to strengthen professional skills and career development</li> <li>• Contact: Mr. Wang, Manager, Management Department</li> <li>• TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication of business results and strategies with investors and directors</li> <li>• Ethical management and robust corporate governance</li> <li>• Company website</li> <li>• Annual report</li> <li>• Market Observation Post System (MOPS)</li> <li>• Press releases or press conferences as needed</li> <li>• Contact: Mr. Lin, Vice President, Management Office</li> <li>• TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Establish long-term cooperative relationships with customers</li> <li>• Contact: Mr. Chuang, Manager, Business Department</li> <li>• Construction: Mr. Hsieh, Assistant Vice President</li> <li>• TEL: (07) 969-7988</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication of business results and strategies with investors and directors</li> <li>• Ethical management and robust corporate governance</li> <li>• Company website</li> <li>• Annual report</li> <li>• Market Observation Post System (MOPS)</li> <li>• Sustainability report</li> <li>• Press releases or press conferences as needed</li> <li>• Shareholders' meetings and investor conferences to report performance and outlook</li> <li>• Contact: Mr. Lin, Vice President, Management Office</li> <li>• TEL: (07) 969-7988</li> </ul>
Communication Efficiency	Phone: As needed E-mail: Daily Complaint channel: Anytime	Phone: As needed Press releases: As needed Interviews: As needed	Phone: As needed E-mail: As needed In-person visits: As needed	Phone: As needed E-mail: As needed In-person visits: Anytime

## 1-7 Identification of Material Topics

The Company listens and responds to the issues of concern to stakeholders. During the preparation of the Report, a materiality analysis was conducted, aiming to identify sustainability issues that are of importance to stakeholders through a systematic analytical approach. This serves as the basis for information disclosure in the report and facilitates effective communication with all stakeholders. In 2024, a total of 14 material topics were identified. The Company's Board of Directors authorized the management team to oversee the execution of ESG-related topics, and the results of the year's implementation were reported to the Board on December 25, 2024. At the end of 2024, a meeting was held to review the execution of material topics during the year and analyze stakeholder survey results with reference to industry peers' areas of concern. The meeting was chaired by the Chairman and attended by the President, department heads, and responsible personnel. After reviewing and reassessing the prioritization of current material topics, 11 material topics were identified for 2025. These ESG-related topics have been assigned to corresponding responsible departments for management and implementation.



### 1-7-1 Material Topic Identification Process

The material topic analysis in the Report consists of the following five key steps:

#### 1. Understanding the Organization and Identification of Stakeholders

This year's sustainability report adopted the five principles from the AA1000 Stakeholder Engagement Standard. The Sustainability Committee joined external experts to discuss and reference stakeholder groups identified by industry peers. Stakeholders were identified based on criteria such as dependency, responsibility, influence, diverse perspectives, and tension. Through this analysis, the major stakeholders for communication were identified, including government authorities, suppliers/contractors, financial institutions, employees, shareholders/investors, external rating agencies, customers, and media.

#### 2. Identifying Risks, Collecting Sustainability Issues, and Summarizing Topics

Issues were collected from external and internal sources. External sources included the GRI Standards (which served as the basis for topics), the SDGs, the SASB Marine Transportation Standard, and the TCFD framework, integrating internationally relevant issues and standards into a consolidated list. A stakeholder representative panel then narrowed this down to a preliminary list of key concerns. Internally, the organization responsible for sustainability management discussed and contributed feedback to form a list of 41 ESG sustainability issues categorized into governance, economic, environmental, and social dimensions, which were used to design the stakeholder questionnaire.

#### 3. Survey Impact Level to Understand Issues of Concern

Surveys were distributed to understand stakeholder concerns. 147 stakeholder questionnaires were collected in 2023. Concurrently, a survey was conducted with senior management to assess the impact of each issue on company operations, with 10 responses received. The results formed the basis for identifying and implementing material topics in 2024.

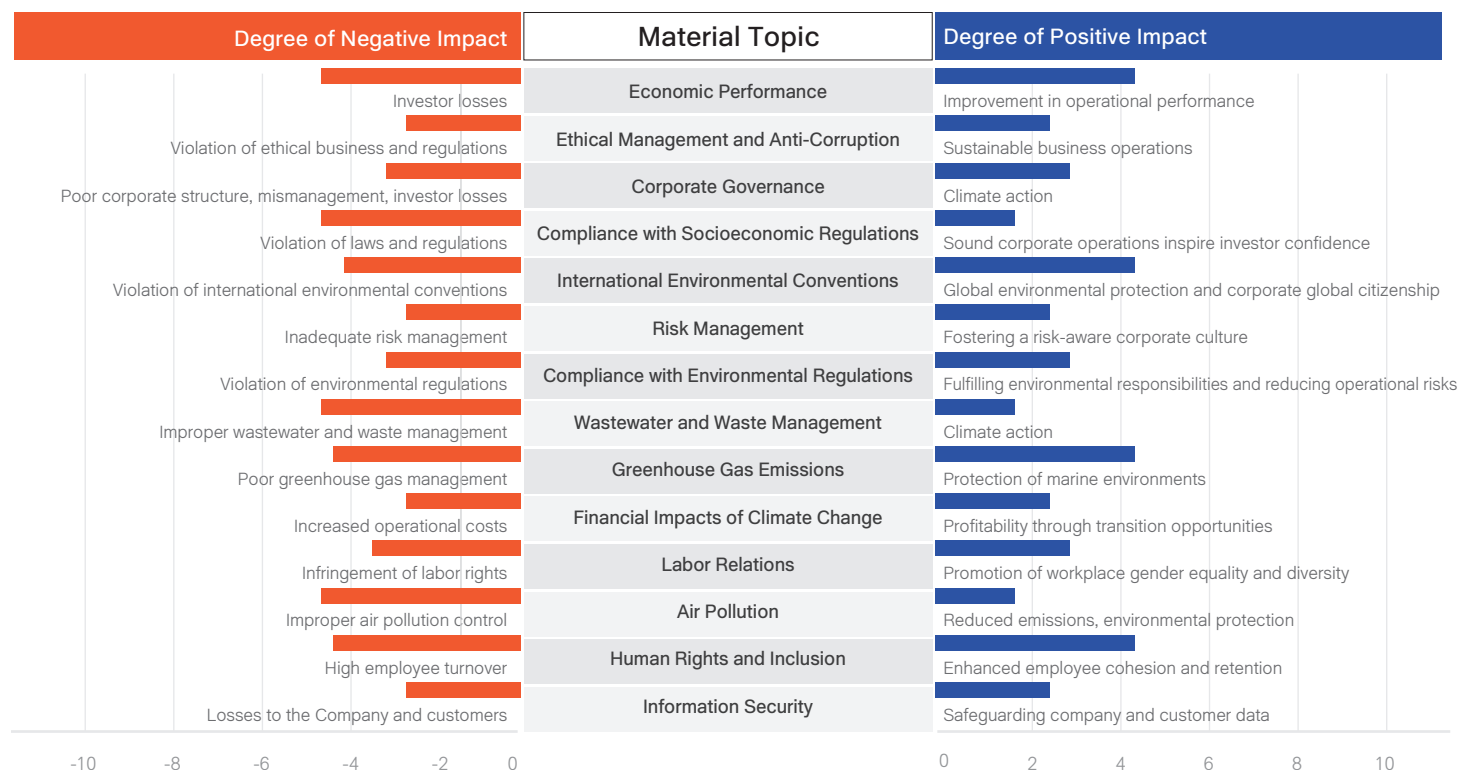
## 4. Identification of Material Topics

To determine stakeholders' levels of concern and the positive or negative impact of each sustainability issue, the results from stakeholders and senior management were analyzed. Topics were ranked by impact level. Consideration was also given to sustainability trends and the importance of risk management. After internal discussions with senior management, the Sustainability Committee, and professionals, the Committee Chair confirmed that the 14 material topics identified in 2023 would continue to be the material topics for the 2024 Sustainability Report. These include 5 environmental protection topics, 6 corporate governance topics, and 3 social responsibility topics.

## 5. Review and Discussion

Based on the 2024 identified material topics and implementation results (see table below), the Sustainability Committee conducted a review and discussion. After presenting the results to the Chairman for approval, each working group under the Sustainability Committee disclosed its respective management approaches and continued with implementation of relevant action plans. The implementation outcomes were reported to the Board of Directors on December 25, 2024. Moving forward, the Company will continue to enhance its management efforts and disclose relevant information in the sustainability report.

2024 Material Topic Positive and Negative Impact Analysis Table

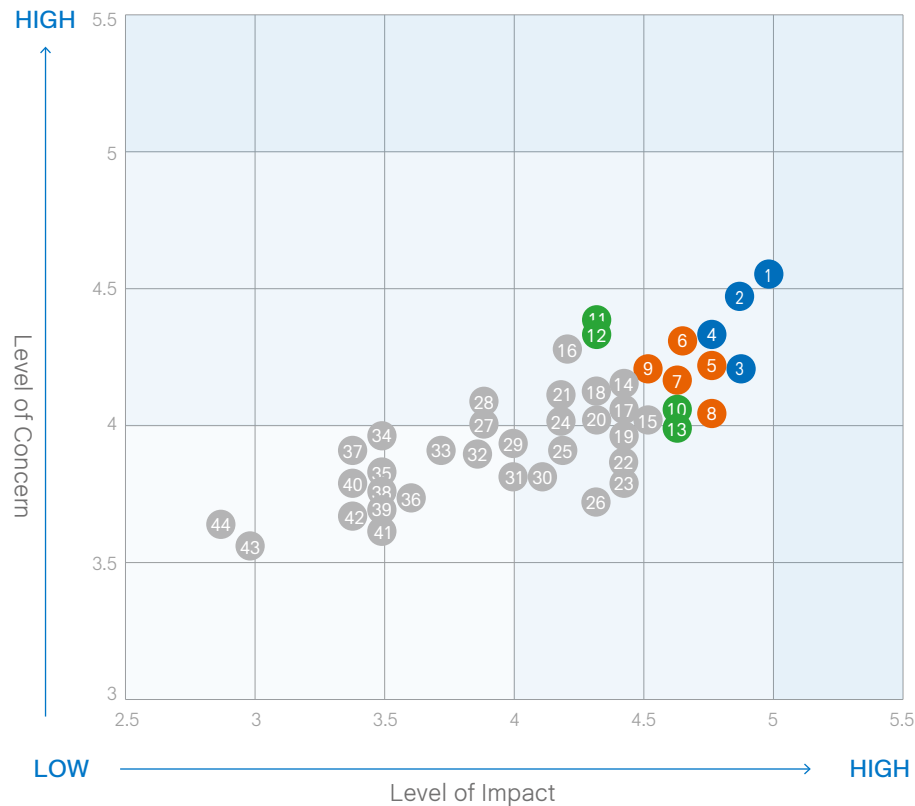




## 1-7-2 List and Analysis of Material Topics

Following the Sustainability Committee's review of each sustainability issue's level of stakeholder concern and positive/negative impact, as well as the perceived impact on sustainable operations from both stakeholders and senior management, issues with an average score above 4.2 were identified as key material topics. The prioritized material sustainability topics are analyzed and ranked as follows:

### ■ Material Impact Topic Matrix Analysis



#### Material Topics

- |  |  |
|--|--|
| 1 Economic Performance   | 8 Wastewater and Waste Management      |
| 2 Ethical Management and Anti-Corruption   | 9 Greenhouse Gas Emissions             |
| 3 Corporate Governance   | 10 Financial Impacts of Climate Change |
| 4 Compliance with Socioeconomic Regulations  | 11 Labor Relations                     |
| 5 Energy Consumption and Fuel Efficiency (Energy)                                    | 12 Air Pollution                       |
| 6 Risk Management  | 13 Human Rights and Inclusion          |
| 7 International Environmental Conventions/ Compliance with Environmental Regulations | 14 Information Security                |

#### Secondary Impact Topics

- |  |   |
|--|---|
| 15 Green Shipping                            | 29 Waste  |
| 16 Biodiversity (Marine Ecology)             | 30 Child Labor                                      |
| 17 Occupational Safety and Health            | 31 Indirect Economic Impacts                        |
| 18 Labor – Management Relations              | 32 Anti-Competitive Behavior                        |
| 19 Training and Education                    | 33 Customer Service Management                      |
| 20 Customer Privacy                          | 34 Marketing and Labeling                           |
| 21 Taxes                                     | 35 Security Practices                               |
| 22 Forced and Compulsory Labor               | 36 Freedom of Association and Collective Bargaining |
| 23 Non-Discrimination                        | 37 Supplier Social Assessment                       |
| 24 Workforce Diversity and Equal Opportunity | 38 Local Communities                                |
| 25 Innovative Products and Technologies      | 39 Water and Effluents                              |
| 26 Supplier Environmental Assessment         | 40 Procurement Practices                            |
| 27 Market Image                              | 41 Materials  |
| 28 Customer Health and Safety                |   |

## ■ 2024 Material Topics and Implementation Results

Material Topic	Objective	Positive/Negative Impact on Franbo	Goals	2024 Performance
1 Economic Performance	Mitigate market fluctuations and achieve stable, continuous profitability; maintain sound and stable annual business performance and financial structure to maximize shareholder equity.	<b>Positive Impact</b> Improved economic performance enhances the Company's financial structure and maximizes shareholder equity.  <b>Negative Impact</b> Poor economic performance weakens the financial structure, causing harm to both the Company and shareholder interests.	<b>Short-term Goals</b> <ul style="list-style-type: none"> <li>+ Manage operations appropriately to achieve stable and continuous profitability.</li> <li>+ Continue with the fleet renewal program.</li> <li>+ Enhance the quality of ship management.</li> </ul> <b>Medium- to Long-term Goals</b> <ul style="list-style-type: none"> <li>+ Strengthen the financial structure and use quantitative analysis of fleet operations to guide business strategies.</li> <li>+ Continue to build a new fleet of energy-efficient and eco-friendly ships to form a green fleet.</li> <li>+ Build a sustainable enterprise that offers high-quality customer service, maintains a sound financial structure, and achieves stable and growing profitability.</li> </ul>	<ul style="list-style-type: none"> <li>+ The Company's gross profit margin in 2024 was approximately 46%, the same as in 2023. Net profit after taxes reached NT\$582,806,000, an increase of 37.32% over the previous year, indicating continued stable growth in profitability.</li> <li>+ Three old vessels were retired and replaced with three new ones in 2024.</li> <li>+ Zero Port State Control (PSC) detention records in 2024. All statutory flag state audits were completed with no outstanding findings after corrective actions.</li> </ul>
2 Ethical Management and Anti-Corruption	Implement ethical management policies and proactively prevent corruption and other dishonest behaviors, thereby fostering a corporate culture of integrity and supporting the sound and sustainable development of the Company.	<b>Positive Impact</b> Protects the rights and interests of the Company and its employees, and ensures whistleblower safety.  <b>Negative Impact</b> May lead to losses and damage to the rights and interests of the Company and its investors.	<b>Short-, Medium-, and Long-term Goals</b> <ul style="list-style-type: none"> <li>+ Prevent the occurrence of dishonest or corrupt behavior; maintain zero incidents of ethics violations or corruption each year.</li> <li>+ Achieve a training completion rate of over 95% for employees participating in ethics and anti-corruption courses.</li> </ul>	<ul style="list-style-type: none"> <li>+ Zero incidents of ethics violations or corruption in 2024.</li> <li>+ On October 30, 2024, the Company conducted education and training on ethics (including anti-corruption) for employees and Board members, achieving a 100% training completion rate.</li> <li>+ The implementation status of the ethical management program was reported to the Board of Directors on December 25, 2024.</li> </ul>
3 Corporate Governance	Through corporate governance and supervisory mechanisms, and by "adhering to the principles of ethical management, sound governance, and social responsibility", the Company aims to safeguard shareholders' legitimate rights while balancing the interests of other stakeholders, thereby achieving the goal of sustainable corporate development.	<b>Positive Impact</b> Good corporate governance ensures the best interests of the Company and its shareholders.  <b>Negative Impact</b> Poor governance may result in damage to the Company and shareholder interests.	<b>Short-term Goals</b> <ul style="list-style-type: none"> <li>+ Actively plan for the Company's listing transfer from TPEX to TWSE in the near future.</li> </ul> <b>Medium- and Long-term Goal</b> <ul style="list-style-type: none"> <li>+ Achieve a corporate governance evaluation ranking in the top 6 – 20% range or higher.</li> </ul>	<ul style="list-style-type: none"> <li>+ The listing transfer plan is currently being executed as scheduled.</li> <li>+ Ranked in the 21 – 35% range in both 2023 and 2024 in the corporate governance evaluation.</li> </ul>

Material Topic	Objective	Positive/Negative Impact on Franbo	Goals	2024 Performance
4 Compliance with Socioeconomic Regulations	Compliance with laws and regulations is fundamental to business operations. To effectively manage the risks associated with socioeconomic regulations, the Company has established a comprehensive mechanism to ensure full legal compliance.	<b>Positive Impact</b> Compliance with local socioeconomic regulations enhances the Company's corporate image.  <b>Negative Impact</b> Violation of regulations may damage the Company's image and result in losses.	<b>Short-term Goal</b> + Zero major legal violations.  <b>Medium- and Long-term Goal</b> + Ensure no major violations of domestic, social, or international socioeconomic laws and regulations.	Zero major legal violations in 2024. The Company will continue to maintain a cautious and proactive approach moving forward.
5. Energy Consumption and Fuel Efficiency (Energy)	Improve energy utilization during fleet operations and voyages.	<b>Positive Impact</b> Reduced energy consumption and improved fuel efficiency lower operating costs and increase the Company's profitability.  <b>Negative Impact</b> Poor fuel efficiency and higher greenhouse gas emissions contribute to global warming and climate anomalies, leading to increased navigation safety risks and operating costs.	<b>Short-term Goal</b> + Starting in 2023, all newly built vessels must comply with Energy Efficiency Design Index (EEDI) standards. + By integrating weather routing services, optimal routes are planned based on data such as sea conditions, currents, weather, and tides for each voyage to reduce carbon emissions and navigation risks.  <b>Medium- and Long-term Goal</b> + Build a low-pollution and energy-efficient fleet to form a high-performance, environmentally friendly fleet.	+ +Since 2023, newly built vessels have achieved an average EEDI of 7.02, outperforming the standard value of 7.64 (the lower the value, the better). + 100% of the self-operated fleet has adopted weather routing services, enabling them to effectively plan optimal routes and continuously improve energy utilization.
6. Risk Management	Effectively control risks and implement a risk management mechanism that enhances the efficiency of role-based risk control and ensures the achievement of the Company's operational objectives.	<b>Positive Impact</b> Effective risk control helps prevent or reduce losses for the Company.  <b>Negative Impact</b> Improper or neglected risk management may lead to losses for the Company and its shareholders.	<b>Short-, Medium-, and Long-term Goals</b> + Implement a risk management mechanism to enhance the efficiency of division of responsibilities in risk control and reduce potential losses caused by risk.	+ As of the end of 2024, the Risk Management Committee identified a total of eight risks for monitoring. These were effectively controlled and caused no losses to the company. Two risks have been closed, whereas the remaining six will continue to be monitored into 2025. + The results of risk management implementation were reported to the Board of Directors on December 25, 2024.



Material Topic	Objective	Positive/Negative Impact on Franbo	Goals	2024 Performance
7. Compliance with International Environmental Conventions/ Environmental Regulations	Establish and implement environmental protection management measures in accordance with international environmental conventions and relevant environmental protection laws and regulations to ensure legal compliance.	<b>Positive Impact</b> Complying with international environmental regulations enhances the Company's image.  <b>Negative Impact</b> Violations of regulations may damage the Company's reputation and result in financial losses.	<b>Short-term Goal</b> + Complete the Operational Carbon Intensity Indicator (CII) Plan within the specified timeline and obtain third-party certification. + Install ballast water treatment systems across the entire fleet by the end of 2023 to meet the implementation timeline of the International Convention for the Control and Management of Ships' Ballast Water and Sediments.  <b>Medium- to Long-term Goals:</b> + Ensure all newly built vessels are designed to be low-polluting and energy-efficient, thereby building a high-efficiency, environmentally friendly fleet. + Fully implement MARPOL regulations, including the prevention of oil pollution, pollution from ship-generated sewage, and garbage pollution.	<b>Short-term Goal</b> + As of the end of 2024, all self-operated vessels achieved a CII rating of C or above with no operational losses. + Ballast water treatment systems were installed on 100% of the fleet in compliance with the standard.  <b>Medium- to Long-term Goals:</b> + Starting in 2024, environmentally friendly and energy-saving vessels were successively delivered and deployed; 100% of vessels meet green and energy-saving standards. + Vessel operations fully comply with all applicable MARPOL environmental regulations, with all inspections and audits completed successfully and a 100% compliance rate.
8. Wastewater and Waste Management	Ensure the effective treatment of ship-generated waste and minimize its impact on the environment and human health.	<b>Positive Impact</b> Compliance with environmental regulations, effective wastewater and waste management, and reduction of marine pollution enhance the Company's corporate image.  <b>Negative Impact</b> Violations of regulations may harm the Company's reputation and lead to financial loss.	<b>Short-term Goal</b> + Continuously strengthen garbage and waste management. + Continue complying with the International Convention for the Prevention of Pollution from Ships (MARPOL) established by the International Maritime Organization (IMO), to reduce the environmental impact of ship operations.	+ Effective garbage and waste management was achieved, with zero deficiencies recorded during the 2024 ISM internal audit, class society external audit, and Port State Control (PSC) inspections (specifically the Garbage Management Plan). + The fleet fully complied with international conventions and effectively implemented marine pollution prevention measures, demonstrating the Company's strong commitment to environmental protection.


















Material Topic	Objective	Positive/Negative Impact on Franbo	Goals	2024 Performance
9./12. Greenhouse Gas Emissions/Air Pollution	Improve energy efficiency, reduce fuel consumption, and mitigate the environmental impact of ship operations.	<b>Positive Impact</b> Complying with regulatory requirements effectively reduces greenhouse gas and air pollutant emissions, enhancing the Company's corporate image <b>Negative Impact</b> Violation of regulations may damage the Company's image and result in losses.	Short-term Goal <ul style="list-style-type: none"> <li>+ Obtain the Operational Carbon Intensity Indicator (CII) Plan and secure third-party approval.</li> <li>+ Comply with Engine Power Limitation (EPL) requirements to reduce engine power, thereby lowering fuel consumption and emissions.</li> <li>+ Cooperate with weather routing service providers to optimize vessel speed and voyage planning, achieving carbon reduction goals.</li> <li>+ Adopt Tier III eco-friendly ship designs, which effectively reduce air pollutant emissions.</li> </ul>	<ul style="list-style-type: none"> <li>+ The Company successfully obtained third-party-approved Operational CII Plans for all vessels, with a 100% completion rate.</li> <li>+ 100% of vessels completed EPL installations on schedule.</li> <li>+ All vessels using weather routing services achieved carbon reduction targets.</li> <li>+ Tier III-compliant vessels delivered have entered operation and are under close monitoring for air pollution reduction.</li> <li>+ In 2024, the Company recorded total greenhouse gas emissions of 113,807.2408 CO<sub>2</sub>e for the entire fleet.</li> </ul>
10. Financial Impacts of Climate Change	Effectively manage the economic loss risks caused by extreme weather events resulting from climate change and mitigate the associated financial impacts.	<b>Positive Impact</b> Proper climate change risk management helps avoid or reduce losses for the Company. <b>Negative Impact</b> Improper or negligent handling of climate change risks may lead to losses for the Company and its shareholders.	Short-term Goal <ul style="list-style-type: none"> <li>+ Require charterers to use low-sulfur fuel oil in compliance with international regulations.</li> <li>+ Strictly control vessel-related risks and operational costs.</li> </ul> Medium- to Long-term Goals <ul style="list-style-type: none"> <li>+ Require charterers to use low-sulfur fuel oil in compliance with international regulations.</li> <li>+ Strictly control vessel-related risks and operational costs.</li> <li>+ Medium- to Long-term Goals:</li> <li>+ Adjust vessel design and construction costs in response to future changes in environmental regulations.</li> <li>+ Comply with the requirements of authorities and clients regarding the reduction of greenhouse gas emissions from vessels, as well as capital market and banking expectations related to climate risk management.</li> <li>+ Conduct greenhouse gas emissions inventories and implement emission reduction and control measures in accordance with regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>+ In 2024, charterers were effectively supervised in their use of low-sulfur fuel oil; all vessels operated in compliance with international regulations with zero violations.</li> <li>+ No vessels experienced damage or claims from charterers due to extreme weather. For additional costs related to TCFD, please refer to page 33 of the Report.</li> </ul>

Material Topic	Objective	Positive/Negative Impact on Franbo	Goals	2024 Performance
11. Labor Relations	Maintain friendly labor relations in the workplace and build a foundation of mutual benefit and trust between the Company and employees to achieve the goal of sustainable operations.	<b>Positive Impact</b> Good labor relations contribute to sound corporate governance and ensure the best interests of the Company and its shareholders. <b>Negative Impact</b> Poor labor relations may result in harm to the interests of the Company and its shareholders.	<b>Short-term Goals</b> + Reduce labor disputes and maintain a positive corporate image. Target: Zero major labor disputes per year. <b>Medium- to Long-term Goals</b> + Continuously build a safe and friendly workplace and maintain positive labor relations. + Sustain a friendly labor environment onboard vessels to create a safe, trusting, and respectful workplace. °	There were zero labor dispute complaints or mediation cases within the company in 2024. The Company will continue to take a cautious and proactive approach moving forward.
13. Human Rights and Inclusion	Ensure that employees and seafarers are treated with dignity and respect for human rights, supporting the goal of sustainable operations.	<b>Positive Impact</b> Becoming a company that values human rights and inclusivity, fosters sound corporate governance, protects its image, and ensures the best interests of shareholders. <b>Negative Impact</b> A lack of respect for human rights and inclusivity may lead to labor disputes, damage the Company's image, and harm shareholder interests.	<b>Short-term Goals</b> + Prevent disputes related to human rights violations or other misconduct that could harm the Company's image. Targets: Zero major labor law violations; zero cases of labor discrimination or forced labor. <b>Medium- to Long-term Goals</b> + Comply with labor regulations, respect human rights, and hire people with disabilities based on job requirements to promote workplace inclusivity.	Zero cases of human rights violations, labor discrimination, or forced labor in 2024. The Company will continue to uphold a cautious and proactive stance in this area moving forward.
14. Information Security	Effectively prevent any losses resulting from internal or external information security breaches, and protect both company and customer data to ensure the feasibility of secure information operations.	<b>Positive Impact</b> Proper management of information security can prevent or reduce the risk of losses for the Company. <b>Negative Impact</b> Neglect or mismanagement of information security may result in losses for the Company and its shareholders.	<b>Short-term Goals</b> + Conduct quarterly assessments of Company and fleet information security environments and propose improvements and preventive measures. <b>Medium- to Long-term Goals</b> + Commission third-party vulnerability testing every 2 – 3 years; allocate budgets to purchase or upgrade information security systems based on improvement recommendations. + Ensure uninterrupted information system services for both the Company and the fleet, regardless of environmental factors.	+ Zero incidents of abnormal disruptions to data center operations or equipment services. + Zero incidents of customer data breaches in 2024.



## 1-7-3 Material Topic Value Chain Boundaries

The material topics identified in the Report are categorized into three dimensions: Sustainable Governance, Green Ocean, and Social Well-being. These dimensions are analyzed using the value chain as a boundary-defining element and aligned with the SDGs to support sustainable operations and policy development. The Company regularly organizes discussions on material topics across economic, social, and environmental aspects, reviews the progress of departmental goals, and sets future directions. Relevant outcomes, stakeholder engagement results, and recommendations from the Sustainability Committee are compiled and reported to the Board of Directors annually. The Company continues to strengthen management and discloses related information in the sustainability report.

Material Topics	Corresponding GRI Standards/Custom Topics	Corresponding SDGs	Value Chain Impact Boundaries				
			Within the Organization	Outside the Organization			
			Franbo	Suppliers/Contractors	Customers	General Public	Section Disclosing Management Approach
Economic Performance	GRI 201	 	■	●	■	●	Business Overview
Ethical Management and Anti-Corruption	GRI 205	  	■	●	-	-	2. Sustainable Governance
Corporate Governance	GRI 2-9		■	●	-	-	2. Sustainable Governance
Green Shipping	GRI 302	 	■	●	-	-	2. Sustainable Governance
Energy Consumption and Fuel Efficiency (Energy)	GRI 302	 	■	●	●	□	4. Green Ocean
Compliance with International Environmental Conventions/Environmental Regulations	GRI 2-27		■	●	●	□	4. Green Ocean
Air Pollution	GRI 305		■	●	●	□	4. Green Ocean
Greenhouse Gas Emissions	GRI 305		■	●	●	□	4. Green Ocean
Wastewater and Waste Management	GRI 306		■	●	●	□	4. Green Ocean
Risk Management	GRI 201		■	●	-	-	2. Sustainable Governance
Financial Impacts of Climate Change	GRI 201		■	●	●	□	2. Sustainable Governance
Information Security	GRI 418		■	●	●	□	2. Sustainable Governance

■ : Direct impact    ● : Impact through business operations    □ : Enabling impact

## ■ Identification of Material Topics for 2025

Based on the implementation review and current status analysis conducted at the end of 2024, the questionnaire content was adjusted and redistributed to stakeholders to better understand their level of concern regarding various topics. A total of 356 questionnaires were distributed, with 228 valid responses received. At the same time, a separate survey was conducted with the Company's senior executives to assess the impact of each topic on business operations. Following discussions among internal teams, senior executives, the Sustainability Committee, and external experts, the Chairperson of the Sustainability Committee finalized 11 material topics for the Report in 2025. These include five topics related to environmental protection, five topics under corporate governance, and one topic concerning social responsibility.



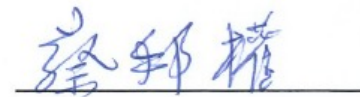
ESG 小組參考 GRI 3 流程要求, 參考海運同業關懷議題, 專家建

議選定如下 11 個議題作為 2025 年執行重大議題:

類別	重大議題	類別	重大議題	類別	重大議題
E	溫室氣體排放	S	資訊安全	G	誠信經營
	能源				風險管理
	空污				公司治理
	環境保護法規/國際				經濟效益
	環保公約遵循				社會法規遵循
	綠色航運				

正德海運股份有限公司

永續經營委員會主任委員/董事長:





# Sustainable Governance

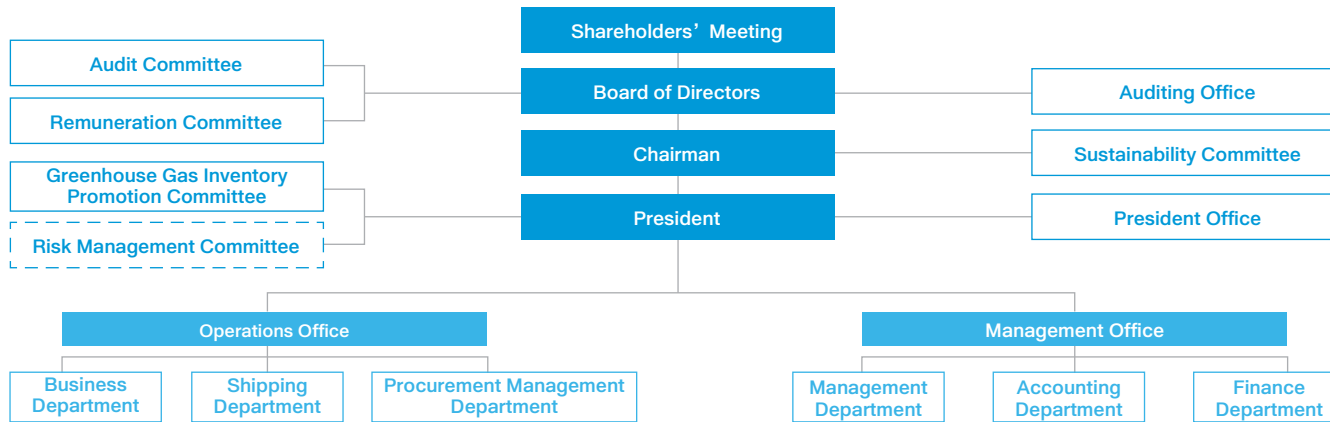


## 2-1 Leading Corporate Governance

### 2-1-1 Corporate Governance Structure

A sound governance system forms the foundation for sustainable business operations. Franbo integrates corporate governance into its operational framework by establishing a well-structured and rigorous organizational system. The Company has a Board of Directors responsible for determining strategic direction and assuming operational risks. An Audit Committee is in place to enhance supervisory effectiveness, improve corporate governance, protect the rights of minority shareholders, and strengthen internal control effectiveness. An independent Remuneration Committee has also been established to formulate and review the Company's remuneration policies for directors and managerial personnel, thereby reinforcing a sound compensation management system and improving the corporate governance structure. In addition to a clear hierarchical management structure, a Sustainability Committee reports to the Chairman, whereas a Greenhouse Gas Inventory Promotion Committee and a Risk Management Committee report to the President. These committees oversee various departments including the Business Department, Technical Department, Procurement Management Department, Finance Department, Accounting Department, and Management Department. This network-based, flat organizational structure enhances information flow and operational efficiency. To continually strengthen corporate governance, the Company has formulated the Corporate Governance Best Practice Principles, and a dedicated Corporate Governance Officer has been appointed in accordance with legal requirements. The Principles not only ensure compliance with laws and the Company's Articles of Incorporation but also emphasize the protection of shareholders' rights, the enhancement of Board functions, respect for stakeholder interests, and increased information transparency.

Unit	Governance Structure
<b>Board of Directors</b>	The highest decision-making body of the Company, responsible for setting business strategies, as-suming operational risks, and overseeing the execution of management policies.
<b>Audit Committee</b>	Established in June 2017 to replace the supervisor system. It enhances corporate governance, protects shareholders' equity, improves internal control effectiveness, and strengthens oversight.
<b>Remuneration Committee</b>	Established in November 2011 to formulate and evaluate the remuneration policies for directors and managerial personnel; review performance-related compensation systems, standards, and structures; and establish a sound remuneration management system for improved corporate governance.
<b>President</b>	The President oversees the Operations Office (responsible for business operations, procurement man-agement, and engineering) and the Management Office (responsible for finance, accounting, human resources, and general administration). The Company adopts a network-based, flat organizational structure to improve interdepartmental communication and work efficiency.
<b>Sustainability Committee</b>	Established in December 2021 to integrate sustainable development into the Company's operations and strategic direction. It is responsible for formulating related policies, systems, and management ap-proaches; developing annual work plans; and compiling the sustainability report.
<b>Greenhouse Gas Inven-tory Promotion Commit-tee</b>	Established in December 2022 to implement the global 2050 net-zero emissions goal. It leads the formation of inventory and verification teams, formulates greenhouse gas management policies, and fulfills the Company's corporate social responsibility to protect the environment.
<b>Risk Management Com-mittee</b>	Established at the end of 2023 (including the TCFD Task Force). The Committee aims to mitigate various risks that may impact the Company, including those related to climate change.



## 2-1-2 Board of Directors

### Composition, Nomination, and Selection of the Board:

The Board of Directors is Franbo's highest governance body and the decision-making entity for major policies. In accordance with the Company's Articles of Incorporation and the Board Member Selection Procedures, Board members are elected through a cumulative voting system and a candidate nomination system. In accordance with regulations, the Board reviews the qualifications of candidates nominated by shareholders or current directors and provides the results of this review to shareholders for reference prior to the election of suitable directors. The current Board was re-elected in June 2023, with eight new directors (including two female directors and four independent directors) appointed for a 3-year term (from June 1, 2023, to May 31, 2026). In 2024, a total of eight Board meetings were held, with an overall attendance rate of 95%. Detailed attendance records can be found in Franbo's 2024 Annual Report.

To ensure governance independence and incorporate stakeholder perspectives, the Audit Committee and Remuneration Committee are composed of independent directors, who assist in and oversee the implementation of corporate governance.

The Board of Directors consists of experts and scholars with backgrounds in industry, law, accounting, and management. Members not only possess professional expertise

and industry experience, but also the capabilities needed for the Company's diversified business development. In terms of gender equality, the Board currently includes two female directors. The Board's primary responsibility is oversight. Through the establishment of various committees, the Board enhances the quality of supervision and decision-making. Board meetings are held at least once per quarter to review business reports from the management team and deliberate on various issues. Under the leadership of Chairman Pang-Chuan Tsai, the Board executes and oversees all aspects of the Company's operations, formulates business plans based on market conditions and competition, and coordinates cross-departmental efforts. Board members possess competencies in operational judgment, accounting and financial analysis, crisis management, risk control, industry knowledge, international market insight, and diverse decision-making capabilities.

## 2-1-3 Continuing Education for Directors

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies and considering industry trends, sustainability, and internal development needs, the Company has arranged at least 6 hours of training per director each year to enhance their professional knowledge and competencies. In 2024, the total required training hours for directors and independent directors was 48 hours, and the actual total training hours reached 57 hours. All Board members fulfilled the statutory training requirements.

Course Topic	Organizer	Course Title	Participant(s)	Completion Rate
<b>Sustainable Development</b>	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	Pang Chuan Tsai, Shu-Yang Yen, Tien-Ming Wu, Shih-Chuan Lin	100%
<b>Sustainable Development</b>	Industrial Technology Research Institute (ITRI)	Net Zero 2024: Key Sustainability Action Forum	Ching-Chuang Tsai	100%
<b>Sustainable Development</b>	Taiwan Corporate Governance Association	Workplace Sexual Harassment Prevention in the ESG Era	Jung-Chin Liu	100%
<b>Sustainable Development</b>	Taiwan Corporate Governance Association	The Value of Corporate Non-Financial Performance and Climate-Related Disclosures: Global Trends and Strategies	Jung-Chin Liu	100%
<b>Corporate Governance</b>	Taipei Exchange	Insider Shareholding Disclosure Seminar for TPEx and Emerging Stock Companies	Chun-Yu Lo, Yi-Wen Shen	100%
<b>Corporate Governance</b>	Hsin Chu Bar Association	Corporate Governance and Evaluation Practices	Shu-Yang Yen	100%
<b>Corporate Governance</b>	Taiwan Academy of Banking and Finance	Corporate Governance Forum	Chun-Yu Lo, Yi-Wen Shen, Shu-Yang Yen, Tien-Ming Wu	100%

## 2-1-4 Conflicts of Interest

The Chairman of Franbo concurrently serves as the CEO. The selection of directors is conducted in accordance with relevant laws and the Company's Articles of Incorporation. A candidate nomination system is adopted, with nominations submitted by the Board of Directors and shareholders who meet the statutory shareholding requirements. The nomination process and announcement are carried out in accordance with legal procedures. To avoid conflicts of interest at the highest level of governance, the Company implements rigorous control procedures, including requiring all newly appointed directors to sign a Letter of Consent to Serve and comply with Article 23 of the Company Act, which mandates that they faithfully execute their duties and exercise the care of a prudent manager. Furthermore, the Board has approved the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct for Directors and Managers. These documents are not only published internally but also communicated to all departments for strict implementation. The Board's Audit Office is responsible for periodically monitoring and evaluating compliance. There is no cross-shareholding, transaction activity, or unsettled balances between directors and suppliers or other stakeholders. The following table provides information on directors' concurrent board memberships and shareholdings in other companies.





Title	Name	Current Positions Held at the Company and Other Companies
<b>Chairman</b>	Prosperity Investment and Consulting Co., Ltd. Representative: Pang-Chuan Tsai	Please refer to p.7 of the 2024 Annual Report
<b>Director</b>	Prosperity Investment and Consulting Co., Ltd. Representative: Ching-Chuang Tsai	Please refer to p.7 of the 2024 Annual Report
<b>Director</b>	Chun-Yu Lo	Director, Ever Steel Enterprise Co., Ltd.
<b>Director</b>	Yi-Wen Shen	Secretary-General, Kaohsiung Disabled Services Association
<b>Independent Director</b>	Shu-Yang Yen	Managing Attorney, Asian Pacific International Patent & Trademark Office (Kaohsiung Office)
<b>Independent Director</b>	Tien-Ming Wu	Chairman, Morgan Shipping Agency Corp. Executive Director, Kaohsiung Marine Shipperservice Corp. Director, Kaochun Logistics & Stevedoring Co., Ltd. President, Allegro Shipping Agency Corp.
<b>Independent Director</b>	Jung-Chin Liu	CPA, JSC (Jiang Sheng & Co., CPAs) Independent Director, Univacco Technology Inc.
<b>Independent Director</b>	Shih-Chuan Lin	President, Ming Tzong Harg Trading Co., Ltd. President, Ming Quo Enterprise Co., Ltd.



## 2-1-5 Board Performance Evaluation

On August 2, 2019, Franbo passed the Board Performance Evaluation Regulations at the 3rd meeting of its 4th Board of Directors. In accordance with the Regulations, the Company conducts annual evaluations of Board performance and discloses the policy and assessment results on the Company's website. On December 25, 2024, the Board of Directors, individual directors, and all functional committees completed their self-assessment questionnaires. According to the results (rated on a scale of 1 to 5, with 4 and above considered "Excellent"), all scores met or exceeded 4 (Excellent). Additionally, the remuneration of Franbo's directors is clearly stipulated in the Articles of Incorporation and is linked to the Company's performance. It is calculated based on the Company's pre-tax profit before employee and director remuneration allocations, with a cap of 5% set aside for director remuneration. However, in the event of accumulated losses, such losses must first be covered. Director compensation for 2022 – 2024 is as follows:

### ■ Directors' Remuneration Over the Years

Unit: NT\$1,000

Year	2022	2023	2024
<b>Net Profit</b>	1,279,911	424,402	584,901
<b>Directors' Remuneration</b>	13,158	5,310	6,300

Note: The net profit figures for 2022 – 2023 were previously misstated and have been corrected in this year's report.

## 2-1-6 Functional Committees

To ensure effective oversight and enhance corporate management functions, Franbo has established an Audit Committee and a Remuneration Committee under the Board of Directors. These committees are responsible for deliberating on major corporate proposals and other relevant matters. Details regarding committee members and resolutions are available on the Company's website.

### (1).Audit Committee

Franbo established the Audit Committee on June 23, 2017. The third term was elected in June 2023 and is composed entirely of independent directors. The current members are

Ms. Shu-Yang Yen, Mr. Tien-Ming Wu, Mr. Jung-Chin Liu, and Mr. Shih-Chuan Lin, for a total of four members. The committee unanimously elected Ms. Shu-Yang Yen as the convener and chairperson. The term of service is the same as that of the Board of Directors that appointed them (from June 1, 2023, to May 31, 2026). The Audit Committee convenes at least once per quarter and may hold additional meetings as needed. In 2024, the committee convened eight times with an overall attendance rate of 97%. For detailed meeting information, please refer to the 2024 Annual Report. The main responsibilities of the Audit Committee include:

- (A) Reviewing the fair presentation of the Company' s financial statements, evaluating the appointment/dismissal, independence, competence, and the reasonableness of compensation of the external auditors.
- (B) Assessing the effectiveness of the Company' s internal control system.
- (C) Ensuring the Company' s compliance with relevant laws and regulations.
- (D) Overseeing the management of existing or potential risks of the Company.

## (2).Remuneration Committee

Franbo established the Remuneration Committee on November 23, 2011. The fifth-term members were elected in June 2023. The committee is composed entirely of independent directors. The current convener is Ms. Shu-Yang Yen, with Mr. Tien-Ming Wu and Mr. Jung-Chin Liu serving as members, for a total of three committee members. The Remuneration Committee is required to convene at least twice annually. In 2024, the committee held five meetings, achieving the regulatory requirement. For detailed meeting information, please refer to the 2024 Annual Report.

The responsibilities of the Remuneration Committee are to make recommendations on the following matters for resolution by the Board of Directors:

- (A) Establishing and periodically reviewing policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers.
- (B) Periodically evaluating and setting the remuneration of directors and managers.

In compliance with the competent authority' s requirements, the Chairman' s Office has established a Sustainability Committee responsible for promoting the Company' s ESG and sustainability initiatives:

## (3).Sustainability Committee

To enhance corporate governance and fulfill the Company' s responsibility for sustainable operations, Franbo established the Sustainability Committee in December 2021. The Chairman of the Board serves as the Committee Chair. The Committee is primarily responsible for formulating the Company' s sustainability policies and for planning, executing, tracking the progress of goals, strategies, and action plans related to sustainability. It also reviews and ensures the effectiveness of the management system and approves the sustainability report. Each year, the Committee reports the sustainability report and the implementation results to the Board of Directors and, in accordance with regulations, files and discloses them on the competent authority' s website.

In accordance with the competent authority' s requirements, the President' s Office has established a Greenhouse Gas (GHG) Inventory Promotion Committee, which is responsible for the Company' s GHG inventory and carbon reduction strategy:

## (4).Greenhouse Gas Inventory Promotion Committee

To support the global 2050 net-zero emissions goal, Franbo established the Greenhouse Gas Inventory Promotion Committee in 2022. The President serves as the Committee Chair. The Committee' s key responsibilities include setting goals, conducting inventories, collecting and calculating GHG emissions data for the headquarters, vessels, and construction affiliates, tracking project implementation progress, overseeing quality management and execution of reduction and improvement measures, and providing green shipping services and related information to customers. The Committee also prepares GHG reports and conducts internal audits and external verifications. All data on the Company' s annual GHG inventory and carbon reduction actions are compiled and incorporated into the sustainability report, with implementation results reported annually to the Board of Directors. Furthermore, in accordance with regulatory requirements, the results are filed and disclosed on the competent authority' s website. To comply with the Sustainable Development Roadmap for TPEX Listed Companies, which requires the disclosure of parent company GHG inventory information by 2026, Franbo began engaging Jianchyun Esgbooster Co., Ltd. in December 2024 to establish a group-wide GHG inventory system and verification process based on ISO 14064-1:2018.

## 2-1-7 Project-Based Committees/Organizations

### (1) Risk Management Committee

To coordinate cross-departmental risk management efforts for various types of risks, the President's Office established the Risk Management Committee at the end of 2023 as a project-based organization (including a TCFD Task Force focused on the financial impacts of climate change). The purpose of this committee is to ensure effective control of major risks and enable the Company to maintain stable operations in response to potential impacts. The Risk Management Committee (including the TCFD Task Force) is chaired by the President, with two Vice Presidents assisting in supervision and execution. The Committee follows standard procedures for risk identification, materiality assessment, and risk control. Based on the type of risk, task-specific working groups are formed by relevant departments to formulate response measures, manage issues, and implement solutions. The risk working groups conduct quarterly reviews of risk management progress (including TCFD-related matters). At the end of each year, each group submits a report on execution outcomes to the President, who then presents an overview of risk management policy operations and risk issues for the following year to the Board of Directors. In 2024, the committee convened a total of four meetings.

### (2) TCFD Task Force

Operating under the Environmental Risk Group, the TCFD Task Force is responsible for identifying and assessing material risks and opportunities arising from climate change that may impact the Company's finances. The task force is composed of relevant departments and is responsible for developing response strategies and action plans. It also reports on the key climate-related topics and implementation results each year. In 2024, the task force held four meetings.





## 2-2 Risk Control

### 2-2-1 Function of the Risk Management Committee

The Board of Directors serves as Franbo's highest supervisory body for risk management and is responsible for reviewing the annual risk management report. Each year, the Risk Management Committee evaluates various types of operational risks. In addition to reporting on major ESG-related events, including economic, environmental, and social impact risks, the Committee also includes TCFD-related risks and opportunities. The implementation status and performance results of the annual risk management action plan are submitted to the Board of Directors, with reports presented at least once per year.



#### Responsibilities of the Risk Management Committee

- 1 The President serves as chair; two vice presidents are responsible for assisting in supervision.
  1. Oversee and approve the risk management policy.
  2. Approve major risk issues, risk strategies, and resource requirements.
  3. Regularly report (at least once a year) the annual risk management operations to the Board of Directors.
- 2 Individual Risk Groups: Led by heads of relevant departments, each risk group is responsible for identifying and assessing risks, formulating mitigation and response strategies, and implementing improvements.
- 3 TCFD Task Force: Operated under the Environmental Risk Group, the task force is responsible for identifying and assessing material issues, risks, and opportunities related to climate change impacts on financial performance, and proposing response strategies, executing the approved annual material issues and reports outcomes.
- 4 Auditing Office: The office audits on risk management to ensure effective implementation of the Company's risk management practices.

### 2-2-2 Risk Management Policy and Procedures

With the increasing complexity and diversity of risks arising from globalization, geopolitical conflicts, diseases, and climate change, the Company has established a risk management policy aimed at identifying and assessing potential risks and transitional opportunities, as well as implementing supervision and control mechanisms. The objective is to reduce the likelihood of various operational risks, formulate response strategies, and contain potential damage within acceptable levels. This comprehensive risk management framework promotes a risk-oriented management approach to support the achievement of operational goals.

The purpose of Franbo's risk management policy is to ensure the integrity of the risk management system. To this end, risk controls and fraud prevention measures are incorporated into both organizational design and the implementation of internal management systems. This approach reinforces the effectiveness of risk management responsibilities and the division of labor, ensuring successful attainment of the Company's business objectives.









Sustainable Operation Risk Management (including TCFD) Task Force	Responsible Unit	Board of Directors/ Sustainability Committee
 Risk Identification	 Risk Assessment	 Strategy Management
 Supervision		
Annually identify emerging risks and opportunities that may affect the Company's vessel operations.	Evaluate and measure major emerging risk issues each year and assign responsibility to the appropriate units.	Develop response strategies and control mechanisms.
		Submit the annual risk management (including TCFD) execution report to the Sustainability Committee and present it to the Board of Directors.

## 2-2-3 Risk Identification, Assessment, and Corresponding Mitigation Measures for 2024

The Company identified key control issues and conducted risk assessments for 2024 based on the outcomes of the Risk Items and Mitigation Measures implemented by the Risk Management Committee's sub-groups in 2023, and with reference to the four major risk categories: Regulatory Risk, Operational Risk, Financial Risk, and Environmental Risk (TCFD). The Risk Management Committee evaluated proposals from various departments, and identified a total of 13 risk items. Among these, eight items were classified as "moderate risk" or above and were selected as major risk control items for 2024. After review by the Committee Chair, the major risk control items for 2024 were finalized and assigned to relevant groups for implementation.

The execution of these risk issues was reviewed intermittently three times during the year. The Committee consolidated the outcomes into the Risk Management and Mitigation Measures Implementation Results, as outlined in the table below, which was submitted to the Board of Directors for review on December 25, 2024.






### 2024 Risk Management and Mitigation Measures Implementation Result

Risk Category (Item)	Risk Description	Risk Mitigation Measures and Actions Taken in 2024/Recommendations for Improvement
 Operational Risk (Market)	Market volatility due to international political, economic, and pandemic conditions, leading to reduced revenue	The scope of the risk description in 2024 was too broad, making it difficult to control and assess; more specific items will be defined for continued control in 2025
 Operational Risk (Market)	Overconcentration of charterers in China and Japan, increasing risk	The charterers the Company worked with in 2024 were carefully evaluated for background and contract reliability; this risk is now considered manageable and will not be continued in 2025
 Regulatory Risk (Sanctions)	International economic sanctions and embargoes	Mitigation measures in 2024 were effective in re-ponding to geopolitical changes; this item will be continued in 2025 as a risk control item
 Financial Risk: Interest Rate (Financial)	Risk of increased interest expenses due to rising interest rates	Mitigation measures in 2024 were effective; no in-crease in interest expenses occurred. This item will be continued in 2025
 Financial Risk: Exchange Rate (Financial)	Risk of foreign exchange gains/losses due to currency fluctuations	Mitigation measures in 2024 were appropriate, and no significant foreign exchange losses occurred. This item will be continued in 2025
 Financial Risk: Liquidity (Financial)	Risk of default on corporate bond maturity	Mitigation measures in 2024 were effective, and no increase in interest expenses occurred. This item will be continued in 2025
 Financial Risk: Inflation (Financial)	Risk of increased operating costs due to worsening inflation	Inflation was effectively managed in 2024 with no significant adverse impact; this item is considered resolved
 Operational Risk (Information Security)	Risk of intrusion or damage from hackers and viruses	Security measures were effectively implemented in 2024, with no cybersecurity incidents reported. This item will be continued in 2025

## 2-2-4 2025 Risk Identification, Assessment, and Corresponding Mitigation Measures for 2025

At the end of November 2024, the Company conducted the 2025 risk management survey in accordance with its risk management procedures, which include risk identification, assessment, strategy management, and supervision, as well as reviewing the implementation results of the current year. Risks were categorized into four major types: Regulatory Risk, Operational Risk, Financial Risk, and Environmental Risk. A total of 15 risk items and corresponding mitigation measures for 2025 were submitted by various departments. Taking into consideration current geopolitical conflicts, climate change, and other risks affecting company operations, the Risk Management Committee reviewed and approved the risk items on December 12, 2024. It was decided that six items from across the four categories that were assessed as “moderate risk” or above would be designated as major risk control items for 2025, with specific mitigation strategies formulated for each.

### ■ 2025 Risk Management and Mitigation Measures Summary

Risk Category (Item)	Risk Description	2025 Risk Mitigation Measures
 Operational Risk (Information Security)	Human error in operations may lead to incorrect data input, file loss, or external malicious attacks, resulting in data breaches or communication service interruptions. * Continuation of 2024 risk topic	<ol style="list-style-type: none"> <li>1. Regular backup of important files.</li> <li>2. Use of firewalls and antivirus software to block external attacks.</li> <li>3. Rolling updates to information security policies and regular information security training.</li> <li>4. Office personnel access rights are assigned by role with individual account credentials, ensuring clear division of re-sponsibilities.</li> <li>5. Onboard networks are segmented into public (for official use) and crew (for personal use) channels. Official communications are restricted to e-mail only, whereas crew access is limited to private devices via Wi-Fi.</li> </ol>
 Operational Risk (Market)	<ol style="list-style-type: none"> <li>1. U.S. tariff policies impact global trade, causing direct and indirect market shifts, affecting charter rates and triggering regional market volatility.</li> <li>2. The United States Trade Representative (USTR) has proposed trade policies tar-geting vessels manufactured in China and their operators, resulting in both direct and indirect market changes that impact charter rates and cause significant volatility in regional markets.</li> </ol>	<ol style="list-style-type: none"> <li>1. Analyze the impact of U.S. tariff and USTR policies on each customer to enable informed decisions during contract renewals.</li> <li>2. Evaluate the regional impacts of U.S. policies, and when necessary, reconfigure shipping routes in phases to maintain flexibility and diversify operational risks.</li> </ol>
 Regulatory Risk (Sanctions)	Charterers operating in sanctioned or high-risk zones may cause the Company or its vessels to be penalized or unable to operate. * Continuation of 2024 risk control item	<ol style="list-style-type: none"> <li>1. Rolling contract updates to include protective clauses for sanctioned and high-risk areas.</li> <li>2. Conduct due diligence on sensitive routes and cargo to determine if they fall within sanction scope.</li> <li>3. Monitor global developments and update the list of sanc-tioned and high-risk zones regularly; reroute if needed.</li> </ol>
 Financial Risk (Interest Rate)	Risks stem from transaction and accounting exposure; rising interest rates may increase interest expenses. * Continuation of 2024 risk topic	<ol style="list-style-type: none"> <li>1. Negotiate with banks for early repayment of vessel loans to reduce interest burden.</li> <li>2. Allocate working capital to time deposits to earn interest income and improve profitability.</li> </ol>
 Financial Risk (Exchange Rate)	Exchange rate fluctuations (USD appreciation/depreciation) impact the Company. * Continuation of 2024 risk topic	The Company primarily uses natural hedging by matching transaction currencies, thereby offsetting risk exposures.



## 2-2-5 Climate-related Financial Risks (TCFD)

Global climate change has led to extreme weather conditions, which not only increase the risks associated with vessel navigation but also pose a critical challenge for enterprises striving for sustainable development. The maritime industry faces increasingly stringent carbon reduction regulations from the International Maritime Organization (IMO), including limits on vessel carbon emissions. Furthermore, mechanisms such as the European Union's Carbon Border Adjustment Mechanism (CBAM), carbon taxes, and the promotion of carbon footprint verification and environmental performance certifications will have significant impacts on business operations.

The issue of energy conservation and carbon reduction is closely tied to the shipping services provided by companies and directly or indirectly affects business operations. Since Franbo's core business is providing vessel chartering services, global climate change and carbon emission restrictions will influence the Company's operations. In response to decarbonization and operational cost pressures, Franbo not only promotes energy-saving and carbon reduction initiatives, plans for the construction of new vessels to phase out old ones, and enhances energy efficiency, but also continuously reduces carbon emissions. A dedicated team for constructing energy-efficient ships has been established to improve vessel competitiveness and turn potential risks into opportunities.

The Company has also established Sustainable Development Best Practice Principles to promote environmental sustainability policies in response to climate change. Climate-related risks and opportunities are assessed, and based on the assessment results, the Company formulates management strategies, conducts greenhouse gas inventories, and implements carbon reduction plans. These efforts aim to reduce energy consumption, lower carbon emissions, improve carbon management performance, and demonstrate Franbo's corporate responsibility on climate issues. Ultimately, these actions support more efficient capital allocation and drive sustainable development in a low-carbon economy, aligning with the Company's sustainable development goals.

Franbo continues to regard climate change management as a key component of risk management. In addition to managing and monitoring the risks and opportunities brought by climate change, the Company incorporates the Task Force on Climate-related Financial Disclosures (TCFD) framework into its operational planning and decision-making processes

as a basis for climate risk management. The Company identifies climate-related risks and formulates corresponding measures under the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets.

In 2024, a total of six projects were included under the 2024 Climate-related Financial Disclosures (TCFD) initiative. These projects were executed by various working groups, with the Risk Management Committee (including TCFD) holding three review meetings throughout the year. A report on the implementation status of TCFD for 2024 was submitted to the Board of Directors on December 25, 2024.

### 2-2-4-1 TCFD Governance

To achieve carbon reduction goals and effectively implement and monitor the decarbonization pathway, Franbo has established the TCFD Task Force under the Environmental Risk Group of the Risk Management Committee. The Chairperson of the Risk Management Committee is responsible for defining climate governance policies and related decision-making guidelines, including TCFD risk management. Climate governance is integrated into the existing risk management processes across various functional units, including business, shipping, marine operations, and procurement, to enhance the Company's sustainable value through the risk management framework.

- The Board of Directors serves as the highest supervisory body for climate change management.
- The President acts as the Chairperson of the Risk Management Committee, with two Vice Presidents providing oversight.
- The TCFD Task Force is responsible for identifying climate-related initiatives and preparing implementation reports.
- The TCFD Task Force compiles an annual report detailing the execution and outcomes of climate-related initiatives, which is submitted to the Chairperson of the committee for review at the end of each year and then reported to the Board of Directors. This ensures the effective implementation of climate risk management and supports resource planning for future initiatives.

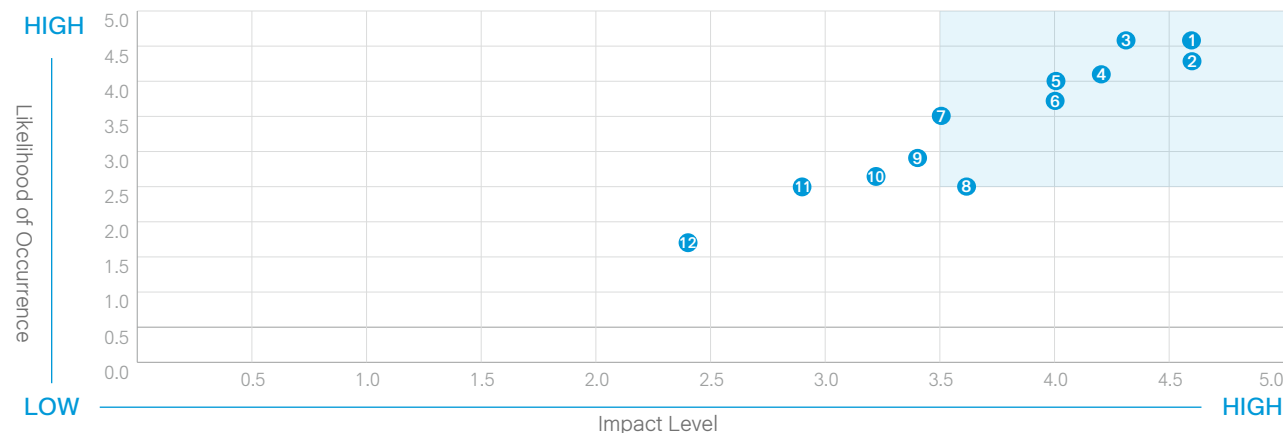
## 2-2-4-2 Risks, Opportunities, and Strategy

In response to increasingly severe climate change and tightening regulations on greenhouse gas reduction, Franbo continues to monitor the latest global climate developments and decarbonization policies in the shipping industry, all of which pose significant impacts on business operations. In alignment with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducts a comprehensive review of the risks and opportunities posed by climate change. Through scenario analysis and financial impact assessments, Franbo proposes corresponding mitigation strategies to reduce the threats climate risks pose to operations.

### Climate Change Risk Matrix

In 2024, Franbo referred to the TCFD guidelines to compile climate-related financial risk items relevant to its domestic and international fleet operations. By identifying climate-related risks and opportunities across different business functions over the short-, medium-, and long-term, the Company developed plausible scenario assumptions and evaluated the potential impacts of climate risks on operations. Franbo designed and distributed assessment questionnaires to relevant departments to evaluate the significance and materiality of climate-related risk items. Based on these evaluations, a Climate Change Risk Matrix was created. From this analysis, Franbo selected its 2024 climate-related risk and opportunity items and formulated corresponding management actions or response strategies. Where necessary, the Company also established management indicators and targets to strengthen control over specific climate risks and seize emerging opportunities, ultimately outlining several climate risks with potential financial impacts on the Company.

## 2024 Climate-related Risk Control Assessment Based on TCFD



- |              |   |  |   |
|--------------|---|--|---|
| 1 EEXI & EPL | 4 Energy-saving additives, speed reduction requirements           | 7 Fuel EU  | 10 Education and training on new technologies             |
| 2 EU ETS     | 5 Risk of course deviation or vessel damage due to severe weather | 8 Phase-out of non-energy-efficient vessels                  | 11 Enhance low-carbon and decarbonized transport services |
| 3 CII        | 6 Disruption of material supply chain                             | 9 Rising cost of acquiring energy-saving second-hand vessels | 12 Research and development of new technologies           |

### Transition Risk Scenario Analysis

The transition risk assessment adopts scenarios from the International Energy Agency's World Energy Outlook 2022—specifically the Net Zero Emissions by 2050 (NZE) scenario—and the European Union's Fit for 55 package (FF55). The assessment follows the principles of data availability and quantifiability to evaluate and identify the potential impacts of transition risks on Franbo.



## ■ Scenario Analysis and Key Issue Assumptions

Risk Issue	Scenario Analysis and Key Issue Assumption	Assessment Period	Financial Impact	Financial Exposure
<b>Cap-and-Trade System</b>	2025 NZE Scenario			
	1. Assumes no aggressive carbon reduction actions, with 2022 emission levels as the baseline. 2. Under EU ETS, carbon allowances must be purchased for operations within the EU.	2025	Increased operating costs	Approximately 0.3 – 0.4% of revenue
<b>Mandatory Maritime Regulations</b>	IMO decar-bonization targets, in compliance with the Car-bon Intensity Indicator (CII)			
	1. Construc-tion of new ener-gy-efficient vessels. 2. Installation of car-bon-reduction equipment on existing ves-sels.	2022~2025	Increased capital and operating expendi-tures	Approximately 0.3 – 0.4% of revenue



## 2024 TCFD Implementation Report

Amid increasing globalization, geopolitical conflicts, pandemics, and climate change, the risks faced by the Company have become more diverse and complex. In response, the Company implemented six items under the 2024 TCFD framework. The table below presents the annual execution outcomes and corresponding mitigation measures. The results were reported to the Board of Directors on December 25, 2024.

## ■ TCFD Implementation Results for 2024

Risk Type	Material Issue	Impact Period	Description of Potential Financial Impact	Countermeasures	2024 Execution Report
<b>Transition Risk Policies &amp; Regulations</b>	EEXI (Energy Efficiency Existing Ship Index) and EPL (Engine Power Limitation)	Long-term	Increased operational costs and reduced profitability due to installation of EPL and related equipment	Install EPL devices and comply with engine power limitation requirements	By the end of 2024, EPL settings were completed across the fleet, with a total cost of approximately US\$20,000
<b>Transition Risk Policies &amp; Regulations</b>	CII (Carbon Intensity Indicator)	Long-term	Increased operational costs and reduced profitability due to installation of EPL and related equipment	Conduct hull cleaning regularly to improve energy efficiency	1. By end of 2024, all owned vessels achieved a CII Rating of C or above, avoiding forced speed reductions and related losses. 2. As of end of 2024, ten vessels required underwater hull cleaning (UWHC), with no off-hire incidents reported.

Risk Type	Material Issue	Impact Period	Description of Potential Financial Impact	Countermeasures	2024 Execution Report
<b>Transition Risk Policies &amp; Regulations</b>	EU ETS (European Union Emissions Trading System)	Long-term	Increased costs from carbon taxes impacting freight rates	Purchase and remit carbon allowances	<ol style="list-style-type: none"> <li>As required, established a Maritime Operator Holding Account (MOHA) under an EU member state.</li> <li>By the end of 2024, approx. 3,740 ETS units were generated.</li> </ol>
<b>Transition Risk Policies &amp; Regulations</b>	Fuel efficiency additives and Tier III additives	Long-term	Increased operational costs	Incorporated into contracts to be charged to charterers	<ol style="list-style-type: none"> <li>Fuel efficiency additive costs are borne by the charterers.</li> <li>Tier III additive costs are currently paid by the shipowner, with ongoing efforts to shift full costs to charterers.</li> <li>By end of 2024, a total cost of approximately US\$54,430 (Shipowner: US\$40,588; Charterer: US\$13,842)</li> </ol>
<b>Transition Risk Operational Costs</b>	Route deviation and ship damage from extreme weather	Long-term	Increased operational costs and reduced profitability	Engage weather routing services and SQC unit to issue alerts for avoiding bad weather and ship damage risks	<ol style="list-style-type: none"> <li>No vessel damage or charterer claims due to extreme weather.</li> <li>Both shipowner and charterer weather routing services were used during severe conditions, with no underperformance claims.</li> <li>Total cost by end of 2024: approximately US\$71,500</li> </ol>
<b>Transition Risk Operational Costs</b>	Climate change may cause instability in marine and weather conditions, leading to supply chain disruptions	Long-term	Increased transportation costs and material price volatility, leading to higher operational costs and reduced profitability	<ol style="list-style-type: none"> <li>Develop emergency supply chain contingency plans</li> <li>Review supply chain vulnerabilities</li> <li>Identify backup suppliers and diversify sourcing bases</li> <li>Build up inventory.</li> <li>Increase supply chain transparency</li> </ol>	<p>Continue developing and maintaining multiple supplier channels to avoid overdependence on a single source.</p> <p>Select suppliers from various geographic locations to diversify risk and mitigate regional climate impacts.</p> <p>Monitor onboard inventory through ISM Record &amp; Checklist to adjust procurement.</p> <p>Design and evaluate multiple transport routes, including sea, air, and land, to ensure alternate routing when disruptions occur.</p> <p>Procurement management remains ongoing per the four points provided above and is included in the 2025 TCFD control items.</p>



## 2025 TCFD Management Survey Report

The Risk Management Committee (TCFD Task Force), in response to climate change-related financial impacts, continues to regard climate change management as a key risk management priority. In early December 2024, the committee submitted the 2025 Risk Items and Mitigation Measures, identifying a total of four TCFD-related risk items. After reviewing charterer plans for future navigation areas and other climate-related risks, particularly those that threaten the Company's operations, the committee resolved to designate all risks assessed as "moderate or higher" as official TCFD management execution and control items for 2025. Corresponding risk mitigation measures have been proposed as outlined below.

## 2-2-4-3 Metrics and Targets

Franbo actively aligns with the competent authority's Sustainable Development Roadmap for TWSE/TPEX Listed Companies by incorporating climate-related risks into its existing emerging risk management mechanisms. Each year, the Company identifies, assesses, and quantifies potential losses caused by climate-related risks and reports its emerging risk management performance to the Risk Management Committee. These findings are then compiled into the risk management report and submitted to the Board of Directors to ensure comprehensive and effective oversight of carbon emissions and energy efficiency in marine operations.

### Actions on Metrics and Targets:

1. For new vessels, Franbo adopts the Energy Efficiency Design Index (EEDI) in compliance with international conventions and introduces assessments of climate-related indicators such as the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) for existing ships. The Company continues to monitor vessel energy consumption and emissions, and it establishes greenhouse gas emission indicators in accordance with GRI 302 and GRI 305 guidelines, the data of which are disclosed in the sustainability report.
2. While maintaining regulatory compliance, Franbo will further explore the feasibility of investing in energy-saving, environmentally friendly new vessels or retrofitting existing ships to reduce environmental impact.

## ■ Identification of Climate-related Financial Risks and Opportunities Based on TCFD for 2025

Core Element	Identified Item**	Climate Change-related Hazard	Potential Financial Impact & Estimated Amount	Severity	Time Frame	Response Strategy
Physical Risk	Long-term	Global fuel & urea supply instability (e.g., geopolitics, natural disasters) may disrupt timely refueling, affecting voyage schedules and operational efficiency	Tier III engines on newbuilds require higher-grade fuel and additional urea/NaOH, raising procurement costs, estimated at US\$123,267.68. Low-carbon fuel costs are currently speculative.	Medium	Long-term	Seek low-carbon fuel suppliers and establish diversified supply channels: The Procurement Department can proactively identify sources of alternative fuels such as biofuels, LNG, and ammonia, and establish partnerships with low-carbon fuel suppliers. On primary bunkering routes, select multiple supply ports to ensure a stable supply.
Transition Risk	Policy & Regulation	Fuel EU (EU shipping fuel regulation, effective Jan 1, 2025)	Voyages to EU ports are subject to penalties, approximately € 62 per excess CO <sub>2</sub> unit in 2025.	High	Long-term	Calculate the excess greenhouse gas emissions on a per-voyage basis and stipulate in the contract that the charterer shall bear the corresponding charges.
Physical Risk	Long-term	EU ETS (EU Emissions Trading System)	Voyages to EU ports require the purchase of carbon credits, approximately € 60 – 100 per unit.	Medium	Long-term	Calculate the ETS units generated on a per-voyage basis and stipulate in the contract that the charterer shall bear an equivalent amount of carbon credits.
Physical Risk	Operational	Voyage deviations and vessel damage due to severe weather	Costs for meteorological navigation service is US\$1,200/ship/year plus variable repair expenses depending on damage severity.	Medium	Long-term	Engage meteorological navigation services, with the SQC unit assisting in advising routes to avoid severe weather conditions and reduce the risk of vessel damage.

## 2-3 Ethical Management

“Integrity, Honesty, Fairness, and Ethics” are the guiding principles of Franbo, while corporate social responsibility (CSR) serves as the cornerstone of its sustainable operations. The Company remains committed to fulfilling its core values of integrity, pragmatism, and professionalism; strengthening positive engagement with stakeholders; and partnering with collaborators to contribute to society. To ensure the avoidance of conflicts of interest and the protection of stakeholder rights, Franbo has established the Work Rules, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct for Directors and Managers. These policies explicitly prohibit unethical behavior, including bribery and the acceptance of bribes; offering or accepting inappropriate gifts, entertainment or improper benefits; providing illegal political donations; and engaging in unfair competition. The Company has implemented procedural guidelines, preventive measures, and regular training and awareness campaigns to promote employee integrity and self-discipline and foster a corporate culture rooted in ethical business practices. Moreover, prior to any business engagement, the Company evaluates the legality and integrity records of customers, suppliers, and other business counterparts. This includes conducting external due diligence as needed to avoid transactions with parties known for unethical practices.

The Company places great importance on mitigating corruption risks and has internal controls in place to prevent such risks. During the reporting period, corruption risk assessments were conducted on operational activities at the Kaohsiung site, with continued efforts to maintain and enhance internal controls.

### ■ Whistleblowing Channel

Responsible Unit	Management Department
Mailing Address	3F., No. 31, Haibian Rd., Lingya Dist., Kaohsiung City 802609, Taiwan (R.O.C.)
Whistleblowing Hotline	07-969-7988 ext. 320
E-mail	hrm@franbo.com.tw

### 2-3-1 Integrity and Anti-Corruption Implementation Report

1. The Company incurred no penalties in 2024 due to violations of social and economic law.
2. The Company provides anti-corruption training. In accordance with the Company’s Personnel Work Rules, the Management Department conducts annual training sessions on anti-corruption and integrity for all employees and Board members, including collaboration with external institutions (e.g., awareness sessions by the Ministry of Justice Investigation Bureau). A total of 55 individuals received training in 2024, with a cumulative 55 training hours delivered.

### 2-3-2 Regulatory Compliance

As a TPEX listed company, Franbo is committed to ethical management and complies with relevant regulations including the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, and the Regulations Governing Establishment of Internal Control Systems by Public Companies. The Company has established effective accounting and internal control systems, and its Auditing Office conducts regular audits to ensure compliance with these systems and reports the results to the Board of Directors.



## 2-3-3 Internal Control System and Internal Audit

### Internal Control System

To enhance operational performance and implement sound corporate governance, Franbo has established an Internal Control System as well as Internal Audit System and Implementation Rules in accordance with the Financial Supervisory Commission's Regulations Governing Establishment of Internal Control Systems by Public Companies. These serve as the basis for executing internal audits. The Audit Office is an independent unit under the Board of Directors, staffed by one audit supervisor and one full-time auditor. In addition to meeting the qualifications required by the FSC, personnel must undertake professional training each year to improve audit quality and competency. Before the end of each fiscal year, the Audit Office formulates the audit plan for the following year based on risk assessment results. The plan covers general audit tasks and special projects to assist the Board and management in reviewing and enhancing the internal control system, thereby improving operational efficiency and maximizing overall corporate benefits. Once approved by the Board, the annual audit plan is submitted to the competent authority through the online information system for recordkeeping.

Based on nine major control cycles and corresponding management procedures within the internal control system, the Audit Office reviews the self-assessment results of each unit annually. In 2024, a total of 36 audit cases were conducted across different business functions, resulting in five recommendations or improvement items aimed at reducing or eliminating procedural deficiencies in the Company's operations.

#### Audit Cases in 2024

Case Type	Sales and Collection	Procurement and Payment	Investment	Information Systems	Other Management Procedures	Total
Number of Audit Cases	1	1	1	1	32	36
Number of Recommendations and Corrective Actions	1	0	0	1	3	5



## 2-4 Customer Service Management

### Due Diligence on Vessel Charterers

Franbo's collaborations with customers are primarily based on long-term partnerships and demonstrate stable operations and sound financial standing. When reaching a preliminary cooperation agreement with a new customer, before signing contracts or initiating any transactions, the Company will conduct basic background checks, operational assessments, and reputation reviews through long-standing brokerage partners. Depending on the situation, a third-party agency may be commissioned to carry out credit investigations into the customer's financial status and business performance to ensure their ability to fulfill contractual obligations.

Given that the Company currently operates on a time-charter model, with all charter fees collected in advance, the risk of bad debt is significantly minimized. Additionally, all contract terms are based on internationally recognized standards. In the event of delayed payment, the Company, in its role as the vessel owner, retains the right to withdraw the vessel, thereby preventing further losses. The Company also maintains legal safeguards through charterers' liability insurance and business interruption insurance. A legal advisor specialized in international maritime law is engaged to act on behalf of the Company in pursuing claims for breach of contract, thus safeguarding corporate interests.

In 2024, all vessel charterers maintained good credit standings, with no incidents of unpaid charter fees.

### Customer Complaint Handling Services

While pursuing profitability, Franbo places great emphasis on customer service management. By engaging in effective communication to understand customers' needs and concerns, the Company provides high-quality, safe, and efficient transportation services. To ensure fairness and transparency throughout all interactions, including contract signing, payment collection, and ongoing dealings, the Company adheres to standardized internal control procedures.

To maintain high customer satisfaction and service quality, Franbo continuously upholds the goal of "zero customer complaints (off-hire)". Through internal analysis and review of past complaint cases, the Company strives to improve

and strengthen employee training, thereby preventing recurrence of similar issues. These efforts not only help reduce potential disputes with customers but also maximize operational efficiency and profitability, ultimately achieving a win – win outcome for both the Company and its customers.

In 2024, there were two recorded customer complaint (off-hire) incidents. One of them was related to a crew member's sudden illness requiring emergency medical treatment. This case, handled with respect for human rights, demonstrated the Company's commitment to providing high-quality and safe transportation services under strict internal management. Through proactive communication, the affected crew member was promptly disembarked and given the best possible medical assistance. Although this incident led to a temporary interruption in the customer's operations, the customer fully understood and agreed with Franbo's philosophy of treating its crew as the Company's most valuable asset. As a result, the incident did not cause any operational disruption for the customer.

### ■ Fleet Off-Hire (Customer Complaint) Records

Customer Complaint Incident	Occurrences	Improvement/Handling Measures
Crew member's sudden illness requiring emergency medical treatment	01	Upon occurrence, an internal emergency task force was immediately assembled. Each responsible unit provided maximum support to the vessel. Franbo communicated with the customer and explained the situation. The vessel located the nearest port to arrange medical care for the crew member. The Company conducted a comprehensive incident analysis report and maintained internal records.
Vessel mechanical failure	01	Upon occurrence, an internal emergency task force was immediately assembled. Each responsible unit provided maximum support to the vessel. Franbo communicated with the customer and explained the situation. The crew immediately launched failure investigation and repairs. The Company conducted a comprehensive incident analysis report and maintained internal records.



## 2-4-1 High-Quality Service Assurance

### 2-4-1 High-Quality Service Assurance

When Franbo was first established, it initially focused on ship agency and freight forwarding services. Through long-term business objectives and accumulated strategic partnerships with customers, the Company gradually shifted to vessel chartering services and progressively expanded its owned fleet. Operating routes have also evolved from the cross-strait services of the early days to the global network of today.

The Company firmly believes that fulfilling economic, environmental, and social responsibilities is the key to sustainable business development. It complies with relevant international agreements, regulations, and their underlying principles. Each year, the Company conducts internal audits on its vessels to ensure compliance with the International Safety Management Code (ISM Code). All crew members undergo health checkups prior to boarding to comply with the Maritime Labour Convention (MLC), further enhancing the management system and ensuring steady and smooth operations. Franbo actively supports national government safety and environmental policies by establishing robust safety control mechanisms and proactively acquiring various safety certifications to ensure compliance with safety, environmental protection, and related technical regulations, as well as relevant information and labeling requirements. In 2024, the Company was not in violation of any related laws and did not receive any customer complaints regarding health and safety compliance.

Franbo continues to employ additional management protocols for measurement, analysis, and review to make effective improvements, thereby ensuring stable quality and meeting the needs of customers and other stakeholders. The Company's external certifications are as follows:

1. Safety Management Certificate (SMC): Verified by a third party, the 2024 fleet complies with the requirements of the ISM Code.
2. International Ship Security Certificate (ISSC): Verified by a third party, the 2024 fleet complies with the International Ship and Port Facility Security (ISPS) Code.
3. Maritime Labour Certificate (MLC): Verified by a third party, the 2024 fleet complies with the Maritime Labour Convention (MLC 2006).
4. Document of Compliance (DOC): Verified by a third party, the company in 2024 complies with the ISM Code.

### International Ship Security Certificate (ISSC)



### Maritime Labour Certificate (MLC)



### Safety Management Certificate (SMC)



### Document of Compliance (DOC)



## 2-4-2 Information Security and Privacy Protection

Franbo strictly adheres to the Personal Data Protection Act when collecting, processing, or using personal data. Through a rigorous management system, the Company ensures the security of employee and customer data. No incidents of customer privacy violations occurred during the reporting period.

The Company has implemented the following measures for the protection of customer and employee personal data and privacy:

**1** Network firewalls are maintained and updated regularly to block potential viruses, hackers, and phishing attempts from external sources.

**2** All computer equipment is secured with login credentials, installed with enterprise-grade antivirus software, and centrally managed by the IT unit. Virus definitions are updated regularly to prevent interference from malware and phishing.

**3** Customer data is stored on the Company's ERP server, which is only accessible via the internal network with account login credentials. All backups are encrypted.

**4** Employee data is stored on the HR (Human Resources) server, which is only accessible by HR personnel via the internal network with login credentials. All backups are encrypted.

**5** The IT server room is secured with a lock and is only accessible to IT personnel. All servers and storage devices require account login authentication to access.

**6** Company files and documents are stored on file servers, accessible only through the internal network with login credentials to ensure data storage security.

**7** Information system login passwords are changed every 3 months and must meet complexity requirements. Accounts are deactivated immediately after an employee leaves the Company.

**8** When company computers are decommissioned, hard drives are formatted and physically destroyed to ensure no data is leaked.

**9** During interviews and employment, employees are required to sign a personal data consent form and declaration form, or a confidentiality agreement to safeguard the rights of both employer and employee.

### Declaration Form



正德海運股份有限公司  
Franbo Lines Corp.

### 聲 明 書

一、本人於 年 月 日起於正德海運股份有限公司及其集團企業擔任 之職位，

I as a/an \_\_\_\_\_ in Franbo Lines Corp. or group enterprise of Franbo Lines which starts from \_\_\_\_\_.

二、本人相信一個誠信經營的組織，每一個從業同仁的行為將影響其所服務的整個組織及其信譽，任何同仁都有義務，在合法範圍內，儘量擴大公司之利益；亦都有責任，防止公司利益減損或流失。

又遵守法令規章本來就是個人最基本的責任，這份從業道德守則並不在增加額外限制或規範予同仁，而是要闡述既有的理念與基本價值觀，俾以作為行為價值判斷之依據。

I believe an organization which manages by good faith; every colleague's behavior might be

### Consent Form for the Collection, Processing, and Use of Personal Data

### Confidentiality Agreement

#### 蒐集、處理及利用個人資料告知事項暨同意書

針對正德海運(股)公司(以下簡稱本公司)之徵才面試、報到及其他因配合本公司蒐集個人資料時，所提供之個人資料，本公司將遵守中華民國個人資料保護法之規定，妥善管理及保護您的個人資料。以下為本公司對您個人資料保護之說明，請您詳細閱讀及了解：

#### 一、蒐集之目的

本公司取得您的個人資料，目的在於應徵人員之入職確認及資格審核等面試需求、錄取人員之人事行政作業及管理、在職人員之教育訓練及為配合申請補給而進行個人資料登錄之需求、依勞工保險條例與全民健康保險法進行投保及為符合勞工安全衛生法等相關法令規定及員工健康安全管理等需求之目的。並蒐集、處理及利用您的個人資料是受個人資料保護法及相關法令之規範。

#### 二、個人資料之類別

(一)本公司蒐集與使用您的個人資料，包含姓名、國民身分證統一編號、照片、出生年月日、籍貫、年齡、婚姻、家庭、性別、聯絡方式、最高學歷、學歷與職稱、以及社會活動等個人資料；以及為確認前述個人資料與所提供之相關證明文件。

(二)本公司蒐集之目的，所述之相關法令規定應由錄取人員提供之受僱保證資料及中樞核發之資料，以及依本公司工作規則由錄取人員提供之個人資料(與薪資轉帳使用)，暨制法法令或工作規則之非正德海運之個人資料。

#### 三、個人資料利用之期間、地區、對象及方式：

(一)期間：錄取人員為人員在職期間暨離職後二年；應徵者未錄取之人員為面試後一年，如法令、主管機關或本公司工作規則規定之期間較長時，則以該規定之期間為準。

(二)地區：中華民國境內。

(三)對象：本公司及本公司之集團，以及依法令有權要求提供個人資料之主管機關或司法機關。

(四)方式：以書面、電子檔案或其他適當之方式進行利用。

#### 四、立同意書人得依個人資料保護法暨其他相關之規定，行使以下權利：



正德海運股份有限公司  
FRANBO LINES CORP.  
簽字承諾書

本承諾書人(以下簡稱受僱人)受僱於正德海運股份有限公司(以下簡稱僱用人)；茲因：僱用人同意依雙方已訂立之僱傭契約僱用受僱人，受僱人亦同意依該契約受僱於僱用人；受僱人並依該僱用契約之管理文件：「電子作業管理」第2.3.1的作業規定，資訊人員須有安全考核制度，因此特立以下承諾書。

基於前述僱傭關係，僱用人本人或其代理人或代表人可能隨時向受僱人揭露或以其他方式使受僱人知悉各項機密資訊(定義如下)：

僱用人為保護其所享有之各項機密資訊，使其不被未獲許可而揭露或包括不在此限之已知或足以推測其與僱用人之競爭對手及其股東有關連，或為其工作或諮詢顧問之個人，或未經僱用人以書面授權允許接受該項機密資訊之任何個人：

本承諾書之簽訂為雙方僱傭關係成立或受僱人繼續受僱之條件：

受僱人同意簽訂本承諾書，其條款如下：

#### 第一條 機密資訊之定義

本承諾書所稱「機密資訊」指一切有關僱用人或其股東未公開之技術性或非技術性資訊，包括僱用人或股東間討論之相關資訊、有關僱用人現在或將來之業務、產品或服務之專利權、技術、策略、商業、設計、策略、圖樣、譯文、圖表、模型、發明、技術知識、製程、儀器、設備、計畫、軟體、電腦軟體、軟體來源文件等智慧財產權以及計劃、策略、技術知識、系統性資料、應以選擇規劃或配方案等營業秘密，包括但不限於，有關研究、實驗工作、開發、設計內容或規範、工程、財務資料、薪資福利、採購需求、購買、製造、客戶名單、客戶基本資料、營業預測、或銷售、行銷或批發計劃之資料，以及一切與機密資訊有關連或可推測之資訊，包括僱用人或其代理人或代表人(包括律師、會計師及財務顧問)所製作之分析報告、資料彙編、研究報告及其他文件之正本或副本，其內容含有或反映該項機密資訊或對其有所評論者，為避免疑慮，凡全部或部分由受僱人創作之物件，如依其規定應屬機密資訊者應特別包括於本承諾書所稱機密資訊之範圍中。

## Information Security Management

To effectively manage information security, the Company has established a dedicated Information Security Policy. The Information Technology (IT) Section is designated as the responsible unit for information security, tasked with planning, implementing, and promoting information security management matters. The Audit Office serves as the auditing body for information security; when deficiencies are identified, the IT unit is required to propose appropriate improvement plans to mitigate and reduce information security risks. The Company enforces its Information Security Policy and complies with relevant laws and regulations through the implementation of the Electronic Operations Cycle Management Guidelines.

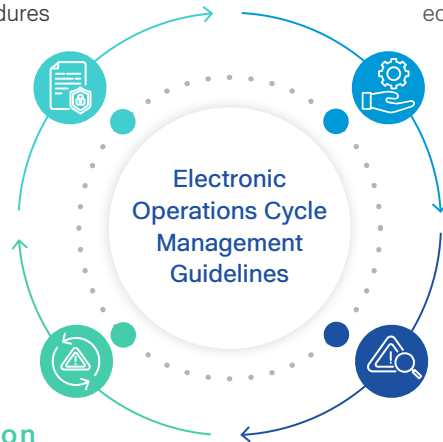
In 2024, the Company did not experience any major information security incidents.

### Information Security Policy Establishment

Establish the Company's Information Security Policy and operational procedures

### Implementation Management

Promote the Information Security Policy through education and training to proactively detect and defend against internal and external threats



### Risk Mitigation

Identify root causes of issues to formulate improvement plans, replace hardware/software or revise internal information workflows through upgrade, and seek assistance from external vendors for solutions

### Risk Assessment

Conduct information security risk assessments

To ensure effective implementation of information security risk management, the Company addresses and prevents risks from two perspectives:

1. Preventive Measures for Potential Threats: Proactively defend against internal and external attacks; prevent data loss caused by environmental factors (e.g., power outages or equipment failure); regularly back up files and ensure data integrity for disaster recovery.
2. Incident Response: Identify the root cause of problems, resolve the issues, and develop improvement plans. Problems are addressed and future occurrences are prevented through hardware/software upgrades or modifications to internal information workflows.

The Company's information security management measures for 2024 are as follows:

### ■ Specific Information Security Management Measures

Category	Description	Related Operations
Education and Training	Promotion of information security awareness	Orientation training for new employees
		Conduct awareness campaigns on current information security issues as needed
Access Management	Management of user accounts, access rights, and system operations	User account access control and review
		Periodic review of user access permissions
Access Control	Control measures for system access and data transmission channels	Access control mechanisms
		Logging of user activity and operations
External Threats	Prevention and protection against software vulnerabilities and viruses	Detection and updates for software vulnerabilities
		Antivirus and malware detection
System Availability	Measures to ensure system uptime and response to service disruptions	System monitoring and abnormality alerts
		Contingency plans for service disruptions
		Regular backup of data and configurations

## 2-5 Sustainable Supply Chain

### 2-5-1 Supplier Management Policy

To fulfill the Company's social responsibilities and advance sustainability within the supply chain by ensuring that suppliers meet consistent standards in terms of quality, cost, delivery time, service quality, environmental safety, and health while jointly promoting environmental protection, human rights, and the sustainable development of resource recycling, Franbo has established a Supplier Management Policy.

In 2024, nine additional suppliers signed the Supplier Corporate Social Responsibility Commitment, bringing the total number of signed suppliers to 73. Upholding the corporate philosophy and culture of "Integrity, Honesty, Fairness, and Ethics", Franbo will work hand in hand with suppliers to promote sustainable development and adhere to the Supplier Code of Conduct, thereby encouraging major suppliers to align with Franbo in advancing the ideals of corporate social responsibility.



### 2-5-2 Supply Chain Management

A sustainable supply chain is a key driver of economic growth, social progress, and environmental protection. Franbo is committed to promoting and working with suppliers to achieve sustainable supply chain management and advance sustainability goals in environmental, social, and governance aspects.

#### Supply Chain Overview:

Franbo evaluates vendor qualifications and selects suppliers in accordance with its procurement management procedures. In addition to requiring suppliers to submit basic information, all new suppliers are mandated to adhere to the Supplier Code of Conduct and sign the Corporate Social Responsibility Commitment. These documents cover key sustainability issues such as labor and human rights, occupational health and safety, environmental protection, ethical business practices, and corporate integrity. Through supplier self-assessments, Franbo reviews the implementation of sustainability practices and requires suppliers to commit to conducting business with integrity.

After a supplier becomes an official partner, they must comply with all applicable laws and regulations and obtain any necessary licenses or permits. Suppliers must also fully understand and acknowledge Franbo's requirements concerning labor health and safety, employment conditions, and environmental protection, and are expected to take appropriate measures to ensure both compliance and sustainable development.

#### ■ Supplier Management Approaches:



##### Supplier Evaluation

Regularly review supplier contracts and conduct evaluations and screenings. Implement assessments for new supplier partnerships to ensure fair, transparent, and ethical collaboration.



##### Management Commitment

Require suppliers to adhere to the Supplier Code of Conduct and promote the signing of the Corporate Social Responsibility Commitment.



##### Risk Management

To promote sustainable supply chain management, assess supplier development status and potential risks through periodic audits and visits to key suppliers. A formal supply chain risk management mechanism will be established in the future.



##### Continuous Improvement and Capacity Building

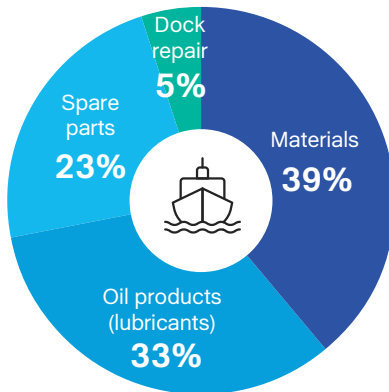
Track and provide guidance on any supplier nonconformance records. Continuously promote sustainable supply management goals to enhance and optimize management processes.



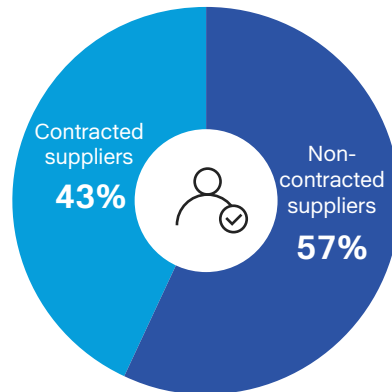
Managing suppliers through contracts is a key strategy for enhancing supply chain stability and efficiency while mitigating procurement and supply risks. Signing contracts ensures that suppliers deliver on time and meet quality standards, thereby reducing the impact of supply disruptions and quality issues.

Establishing long-term partnerships enhances supplier cooperation and service quality and encourages suppliers to provide technical support and innovative solutions. By setting key performance indicators in contracts, supplier performance can be effectively monitored, which improves operational efficiency and reduces communication and coordination costs. Contracts also help ensure supplier compliance with regulations and sustainability standards, aligning with ESG requirements and enhancing supply chain transparency and traceability to ensure lawful and responsible operations.

2024 Procurement Breakdown



2024 Contracted Suppliers



Building on a foundation of institutionalized management, Franbo has further strengthened its collaborative relationships with suppliers. Through regular dialogue, on-site interactions, and feedback mechanisms, the Company guides its partners to enhance environmental practices and implement social responsibility. Rather than relying solely on contractual terms, the Company places greater emphasis on practical engagement and continuous improvement to gradually establish a trust-based, sustainability-oriented partner management model.

As Franbo's vessels operate along global routes, procurement is carried out worldwide based on the supply needs of different ports, resulting in a relatively low proportion of localized procurement at present. The Company has adopted several ESG procurement strategies, including prioritizing environmentally certified suppliers and ensuring the supply chain complies with international environmental regulations. Franbo also continues to assess the feasibility of increasing regional supply at major provisioning ports in the future. The Company is committed to working alongside its suppliers to raise sustainability standards and reduce the environmental and social impact of its operations.

### Annual Procurement Analysis

To enhance procurement management efficiency and sustainability performance, Franbo conducted a systematic inventory and assessment of all procurement transactions in 2024. Transactions were categorized and managed based on procurement value, supply category, and supplier performance, serving as the foundation for future optimization.

#### 1. Procurement Overview and Supplier Classification

In 2024, Franbo engaged in actual transactions with 67 suppliers. Based on the nature of their products and services, these suppliers were grouped into five main categories: vessel spare parts, vessel materials, vessel oil products (lubricants), vessel repairs, and crew labor services. The Company conducted quantitative evaluations based on annual procurement amounts, service quality, and on-time delivery rates to identify key suppliers and allocate risk management resources accordingly.

#### 2. Procurement Strategies and Sustainability Orientation

In response to the global nature of vessel operations, procurement strategies must balance diversification and flexibility. In 2024, Franbo actively adopted ESG-oriented approaches, including:

- Ⓢ Establishing and optimizing a sustainable supplier list integrated into daily procurement decision-making
- Ⓢ Requiring suppliers to adhere to international environmental and social responsibility standards
- Ⓢ Conducting feasibility assessments for regional supply at major provisioning ports
- Ⓢ Co-creating sustainable value with suppliers to raise overall standards and awareness

Moreover, the Company designed flexible procurement schedules aligned with regional localized procurement strategies. When feasible, nearby suppliers were prioritized to shorten logistics distances, reduce carbon emissions, and support local economic development, effectively addressing sustainability issues.

### 3. New Supplier Selection and Ongoing Supervision

Franbo is committed to building a responsible supply chain and has implemented a rigorous review process for introducing new suppliers. Key measures include:

- ⊙ Initial collection of ESG-related information as part of the evaluation criteria
- ⊙ Identifying supply chain origins and potential risks
- ⊙ Establishing a performance scoring system with regular evaluations and feedback
- ⊙ Implementing improvement tracking and ongoing support mechanisms to enhance performance

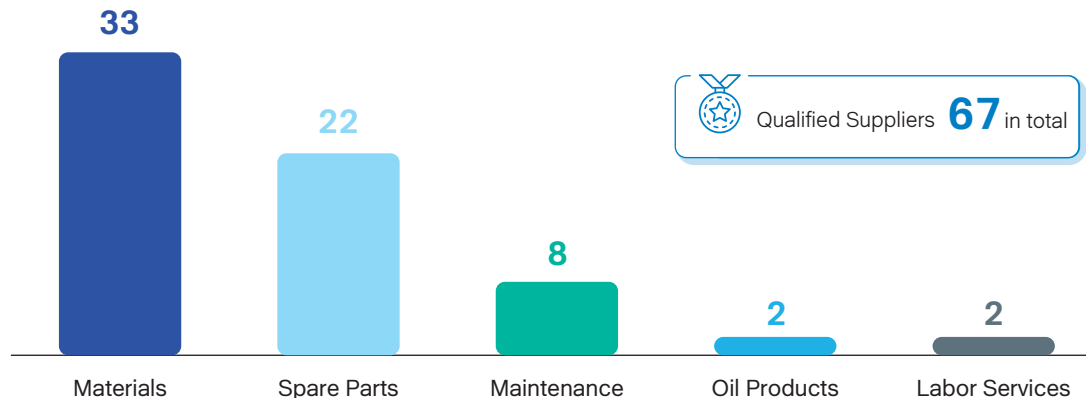
Through these initiatives, the Company gains comprehensive insights into supply chain stability and risk areas. Two-way communication and collaboration platforms help strengthen supplier responsibility and environmental governance, thereby extending sustainable value throughout the supply chain and fostering shared prosperity.

#### 2-5-3 Supplier Evaluation

To more effectively manage supply quality, delivery schedules, and supplier stability while also promoting sustainable supply chain management, Franbo has implemented a rigorous supplier evaluation and assessment mechanism. New suppliers must undergo an evaluation before any collaboration. Additionally, oil suppliers, drydock repair vendors, and contract suppliers are subject to annual assessments. Long-term suppliers are also subject to periodic audits to ensure that their products and services meet the Company's standards.

Suppliers are rated based on quality and delivery performance and categorized into four levels: A, B, C, and D. Grades A, B, and C are considered qualified suppliers, whereas grade D indicates disqualification. Suppliers rated as D will be notified by the procurement unit to initiate improvements and may reapply for evaluation after corrections have been made. If the supplier still fails to meet standards upon re-evaluation, the partnership will be terminated.

In 2024, the Company evaluated 18 new suppliers, conducted annual assessments for 4 suppliers, and audited 45 long-term suppliers. The total number of qualified suppliers reached 67.





# Social Well-being



## 3-1 Labor Relations

### 3-1-1 Talent Deployment and Workforce Diversity

Although the total number of employees at the Franbo Group (including Franbo Asset Management and the Marshall Islands office) has not yet reached the statutory threshold requiring the employment of individuals with disabilities, in the future, the Company will consider hiring employees from diverse backgrounds based on the nature of the work. During the reporting period, there were no significant changes in the number of hires. As of the end of 2024, the Company had a total of 59 employees and 231 non-employee workers, primarily consisting of seconded seafarers. Due to the demanding work environment onboard the ships and the physically intensive nature of the duties, all seconded seafarers are currently male; no female seafarers are employed at this time.

As of the end of 2024, all employees of the Company are based in Kaohsiung, Taiwan, except for those stationed at the subsidiary office in the Marshall Islands, which was established to support business operations. To strengthen local community relations and enhance job stability, the Company prioritizes recruitment of local residents from the Kaohsiung area and the Marshall Islands.

Shore-based employees are primarily responsible for maintaining vessel operations and managing asset-related activities. Non-employees (seafarers) are responsible for the global transportation of charterers' cargo. Franbo is committed to creating a safe and healthy work environment, ensuring stable employment, protecting the human rights of both employees and seafarers, and providing opportunities for training and skills development for all personnel.

The list of office-based workers is shown in the table below:

Category / Gender		Female			Male			Total
Location	Contract Type	Regular Employee			Regular Employee			
	Age	Under 30	30-50	Over 50	Under 30	30-50	Over 50	
Taiwan – Kaohsiung	Full-Time	8	20	4	5	13	6	56
	Part-Time	0	1	0	1	0	0	2
	Subtotal	8	21	4	6	13	6	58
Marshall Islands	Full-Time	0	0	0	0	0	0	0
	Part-Time	1	0	0	0	0	0	1
	Subtotal	1	0	0	0	0	0	1





According to Franbo Safety Management System Procedure FBP-06-01 on Seafarer Recruitment, the hiring of seafarers is based on specific qualification criteria. Seafarers must be at least 18 years of age, have completed Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) training, and hold appropriate certificates, including a medical certificate as required by Regulation 1.2 of the Maritime Labour Convention. This ensures that seconded seafarers are competent and medically fit to perform their duties at sea.

The Company does not impose restrictions based on nationality or ethnicity. Seafarers are assigned to either the Deck Department or the Engine Department. The Deck Department is responsible for cargo loading, unloading, and transportation management, as well as maintenance of deck equipment. The Engine Department manages the vessel's machinery and is responsible for routine maintenance and repairs. The Captain serves as the highest authority onboard and is responsible for navigation, overall management of the vessel, and ensuring the safety of the ship, cargo, and crew to maintain normal operations.

The list of non-employee workers (seafarers) is shown in the table below:

Category / Gender	Male			
Location	Seconded Seafarers			Total
	Under 30	30-50	Over 50	
Vietnam	75	150	6	231



To promote harmonious relations with the local community and enhance job stability, the Company primarily recruits residents of Taiwan. Currently, 100% of managerial and higher-level positions are held by local residents.

Employee job category distribution over the past three years is shown in the table below:

Year		2022	2023	2024
Category / Gender	Age	(Number of People)	(Number of People)	(Number of People)
Managerial Staff	Under 30	0	0	0
	Male			
	30-50	6	6	5
	Over 50	4	4	5
	Female			
	Under 30	0	0	0
Non-Managerial Staff	30-50	2	2	2
	Over 50	1	1	1
	Total Managerial Staff	13	13	13
	Under 30	1	3	6
	Male			
	30-50	8	10	8
Non-Managerial Staff	Over 50	3	1	1
	Female			
	Under 30	5	6	9
	30-50	15	16	19
	Over 50	3	2	3
	Total Non-Managerial Staff	35	38	46
Total Regular Employees		48	49	59

Note: Definition of managerial staff: Supervisors at the managerial level or above.

To retain outstanding talent, the Company is committed to creating a friendly work environment, promoting work-life balance, and providing training and development opportunities to encourage employees to continuously improve themselves and advance their personal career growth. Most of the Company's workforce is engaged in ship operation-related tasks, and the number of staff at the Kaohsiung headquarters is relatively small. As a result, although the employee turnover rate appears relatively high, the actual number of personnel changes is low, given that the majority of workers are seconded seafarers. In 2024, due to a shift in the Company's operational goals, four new vessels were built and three were acquired through bidding, leading to an increase in staffing requirements. This resulted in a higher hiring rate compared to the previous year, with 12 new employees hired and 6 employees resigned. The overall turnover rate remains within a reasonable range. The new hires and departures over the past 3 years are shown in the tables below:

### ■ New Hire Data

Year	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 30	1	2	3	2	2	4	3	2	5
30-50	2	3	5	1	4	5	0	6	6
Over 50	0	0	0	0	0	0	0	1	1
Total		8			9			12	
Total Number of Employees		48			52			59	
New Hire Rate		16.67 %			17.3 %			20.3 %	

Note : 1.The number of new hires does not exclude those who resigned during the year.

Note : 2.New hire rate for male/female employees in each age group = Number of new male/female hires in that age group ÷ Total number of employees at the end of the year.

Note : 3.Overall new hire rate = Total number of new hires ÷ Total number of employees at the end of the year.

### ■ Employee Departure Data

Year	2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 30	0	0	0	0	1	1	0	0	0
30-50	2	1	3	2	5	7	2	4	6
Over 50	0	0	0	0	0	0	0	0	0
Total		3			8			6	
Total Number of Employees		48			52			59	
Turnover Rate		6.25 %			15.38 %			10.17 %	

Note : 1.Categories of employees considered as having departed (include resignation, dismissal, discharge, retirement, or work-related death).

Note : 2.Turnover rate for male/female employees in each age group = Number of male/female employees who departed in that age group ÷ Total number of employees at the end of the year.

Note : 3.Overall turnover rate = Total number of employees who departed ÷ Total number of employees at the end of the year.

## 3-1-2 Termination of Employment Relationship

### Termination of Employment for Non-Employees

Franbo specifies in its seafarer employment contracts that the currently applicable collective bargaining agreement constitutes part of the employment terms. The standard duration of employment for seafarers is 9 months, but for operational or port convenience, it may be extended to 10 months or shortened to 8 months. Thereafter, the employment relationship is terminated unless the seafarer is rehired. If the seafarer commits serious misconduct in the performance of duties, the shipowner has the right to terminate the employment by written notice. However, in cases involving injury, illness, or extraordinary events such as piracy or hijacking, the seafarer's employment status will be handled in accordance with the provisions of the collective bargaining agreement.



## 3-2 Friendly Workplace

### 3-2-1 Employee Rights and Benefits

The Company places great importance on pay equity and employee well-being. By referencing industry salary benchmarks, labor market trends, and operational performance, Franbo has established a compensation system that ensures both market competitiveness and internal fairness. To respond to changes in the cost of living and the Company's profitability, employee salaries and benefits are regularly reviewed and adjusted. The Company is committed to providing a stable and attractive work environment to promote employee retention and support long-term organizational sustainability.

The highest salary and median compensation are presented as follows:

Country/ Region	Annual Total Salary of the Highest-Paid Individual	Median Annual Total Compensation of Employees (excluding the highest-paid individual)	Ratio
Taiwan	NT\$4,038,000	NT\$818,000	4.9

Percentage Increase in Highest Salary and Median Compensation are as follows:

Country/ Region	Percentage Increase in Annual Total Salary of the Highest-Paid Individual	Median Percentage Increase in Annual Total Compensation of Employees (excluding the highest-paid individual)	Ratio
Taiwan	1.08%	0.94%	1.15

The compensation for full-time employees at Franbo include base salary, various allowances, performance bonuses, year-end bonuses, and employee profit-sharing. The overall compensation structure is based on the nature of the position, seniority, and performance, ensuring both market competitiveness and internal equity. As of the end of the reporting period, the standard salaries for entry-level male and female employees at Franbo were 1.47 times and 1.35 times the local minimum wage, respectively, and both exceeded the legal minimum wage. The salary gap between male and female employees primarily reflects the higher proportion of males in technical positions, which generally offer higher compensation, and the fact that most department heads are currently male, contributing to a statistical difference in average salary.

Country/Region	Ratio of Standard Salary to Local Minimum Wage for Male Entry-Level Employees		Ratio of Standard Salary to Local Minimum Wage for Female Entry-Level Employees	
Taiwan	1.47		1.35	

Item	2022	2023	2024	Year-over-Year Change
Number of Full-Time Employees in Non-Managerial Positions	40	43	45	+4.65%
Total Salary of Full-Time Employees in Non-Managerial Positions	NT\$54,736,000	NT\$45,163,000	NT\$44,052,000	-2.46%
Average Salary of Full-Time Employees in Non-Managerial Positions	NT\$1,368,000	NT\$1,050,000	NT\$979,000	-6.76%
Median Salary of Full-Time Employees in Non-Managerial Positions	NT\$895,000	NT\$788,000	NT\$898,000	+13.96%





### 3-2-2 Employee Retirement System and Implementation

In accordance with the Labor Standards Act, the Company has established a retirement policy to support employees in their later years. Retirement benefits vary based on the employee's date of hire and whether they are covered under the old or new pension system. Employees hired on or before June 30, 2005, may choose between the old and new pension systems. Employees hired after that date are covered under the new pension system, under which the Company contributes 6% of their monthly salary to an individual pension account.

As of the end of 2024, a total of five employees have applied for retirement in accordance with the regulations.

### 3-2-3 Comprehensive Employee Benefits

Franbo places great importance on talent retention and the holistic well-being of its employees. In addition to creating a safe working environment, the Company actively promotes a wide range of benefit programs to enhance employee satisfaction and sense of belonging. Specific measures include:

- **Statutory and Insurance Benefits:** In accordance with regulations, Franbo has established an Employee Welfare Committee and allocates welfare funds to manage various benefits. All employees are enrolled in Labor Insurance, National Health Insurance, and group insurance, with enhanced coverage provided for those on overseas assignments.
- **Health and Lifestyle Support:** The Company organizes annual health checkups for employees and subsidizes the formation of employee clubs (e.g., yoga, badminton). Each club holds their activities once a week. Summer and winter uniforms are also provided based on work requirements.
- **Festival and Condolence Benefits:** Franbo offers monetary gifts for weddings and funerals of employees and their first-degree relatives, as well as birthday cash gifts, holiday bonuses, and Labor Day gifts. Seafarers receive additional holiday meal allowances and sports activity bonuses. In special circumstances, condolence or bereavement payments are also provided.
- **Incentive and Bonus System:** Based on the Company's operational performance and Articles of Incorporation, Franbo allocates a portion of its annual earnings as employee compensation, allowing employees to share in the Company's success.
- **Family and Community Engagement:** The Company organizes employee-and-family outings and family-oriented events from time to time, and actively participates in charitable activities, fostering stronger bonds among employees and cultivating a spirit of social care. This strengthens workplace unity and fulfills corporate social responsibility.
- In addition to the benefits listed above, Franbo also regularly participates in public welfare and charitable activities. These efforts help promote a joyful, harmonious, and socially responsible work environment that boosts employee morale and productivity.



Franbo's First Sports Day

DIY Moss Ball (Kokedama) Workshop



Christmas Gift Exchange

Ghost Festival Worship Ceremony



Ghost Festival Worship Ceremony

### 3-2-4 Parental Leave Implementation

In accordance with the Labor Standards Act and the Gender Equality in Employment Act, the Company provides employees with benefits such as maternity leave, pregnancy checkup accompaniment leave, and unpaid parental leave. Related applications and return-to-work procedures are handled in accordance with the Company's personnel regulations.

To support the government's pro-natalist policies, the Company encourages eligible employees to apply for parental leave and is committed to reinstating employees to their original or equivalent positions upon return, thereby safeguarding their employment rights. In 2024, a total of six employees (two males and four females) were eligible to apply for unpaid parental leave, but no employees applied. Parental leave application status over the past 3 years is summarized in the following table:

Year	2022			2023			2024		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Unpaid Parental Leave (A)	2	4	6	2	3	5	2	4	6
Number of Employees Who Actually Applied for Unpaid Parental Leave in the Year (B)	0	0	0	0	1	1	0	0	0
Number of Employees Expected to Return from Unpaid Parental Leave in the Year (C)	0	0	0	0	1	1	0	0	0
Number of Employees Who Actually Returned from Unpaid Parental Leave in the Year (D)	0	0	0	0	0	0	0	0	0
Number of Employees Who Returned from Unpaid Parental Leave in the Previous Year (E)	0	0	0	0	0	0	0	0	0
Number of Employees Who Remained Employed for 1 Year After Returning from Unpaid Parental Leave in the Previous Year (F)	0	0	0	0	0	0	0	0	0
Reinstatement Rate (%) (D/C)	-	-	-	-	-	-	-	-	-
Retention Rate (%) (F/E)	-	-	-	-	-	-	-	-	-

Note : 1. Calculation Methods:

Note : 2. Number of Employees Expected to Return (C): Employees whose unpaid parental leave is scheduled to end during the given year.

Note : 3. Unpaid Parental Leave Application Rate (B/A) = Number of Employees Who Actually Applied for Unpaid Parental Leave in the Year / Number of Employees Eligible for Unpaid Parental Leave

Note : 4. Number of Retained Employees for 2024 = Number of employees who returned in 2023 and remained employed as of December 31, 2024

Note : 5. Retention Rate for 2024 = Number of retained employees for 2024 ÷ Actual number of employees returned in 2023

Note : 6. Eligible employees: For males: number of employees who took paternity leave from Jan 1 to Dec 31 of the given year (N); For females: number of employees who took maternity leave during the same period.

### 3-2-5 Talent Development and Training

To retain outstanding talent, the Company strives to foster a friendly working environment, emphasize work – life balance, and provide training and development opportunities that encourage employees to continuously improve themselves. In order to equip employees with the skills to face workplace challenges and stay aligned with industry trends, Franbo has established the Education and Training Management Regulations. In addition to providing professional and departmental training courses, the Company also partners with professional vendors to introduce a diversified and flexible training system that meets various employee development needs. This enables employees to pursue self-learning and growth through both internal and external training programs. All participants are required to submit post-training surveys or reports titled “Employee Education, Training, and Observation Feedback” , which allows management to assess learning outcomes and continuously improve training content based on feedback. Internal transfer training may be arranged as needed.

The Education and Training Management Regulations categorize training into pre-employment training and on-the-job training. Pre-employment training is usually conducted by authorized crew agents prior to onboarding and tailored to each position. It covers company policies, regulatory updates, and incident prevention. On-the-job training includes both internal and external programs. Internal training involves departmental self-training, company-wide projects, and lectures by invited scholars or experts. External training encompasses site visits, workshops hosted by corporations or management consulting institutions, and academic courses offered by universities. On-the-job training is further classified into three categories: management, professional, and general knowledge. To strengthen human rights awareness, the Company offers courses on topics such as gender mainstreaming, sexual harassment prevention, gender equality, labor laws, and the Labor Standards Act. In 2024, a total of 54 employees participated in human rights training, collectively accumulating 54 training hours.

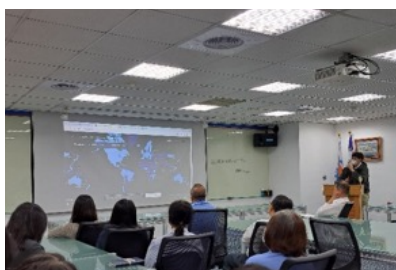
Franbo places great importance on employee training and periodically organizes education and training programs for employees. The following is a summary of the education and training statistics for 2024:

Item/Category		Managerial Staff		Non-Managerial Staff	
Unit/Gender		Male	Female	Male	Female
Total Number of Employees	People	10	2	19	37
Total Training Hours	Hours	165	91.3	274.4	732.6
Average Training Hours per Person	Hours/Person	16.5	45.7	14.4	19.8
Training Costs	NTD	90,800	41,600	30,000	54,300

Franbo places great importance on employee training and periodically organizes education and training programs for employees. The following is a summary of the distribution of training data for 2024:

Position	Item	Professional Skills	General Knowledge	Regulatory Education
Managerial Staff	Total Training Hours	118.5	118.5	19.37
	Total Number of People Trained	29	46	23
	Average Training Hours per Person	4	2.5	0.8
Non-Managerial Staff	Total Training Hours	413.5	234	71.48
	Total Number of People Trained	128	215	86
	Average Training Hours per Person	3.2	1	0.8





**Franbo Lines' Operational History  
from a Financial Perspective  
(2013 – 2023)**

**Introduction to Vessel Satellite  
Systems and CCTV**

**Cargo Load Calculation**

**Practical Operation and  
Troubleshooting of Electronically  
Controlled Main Engines**

**Corporate Integrity and Anti-  
Corruption Awareness Seminar**

To ensure the safety of seafarers during navigation, the Company requires its agents to provide pre-boarding training before crew members board the vessel.



**Operational Safety Training**



**Safety Management System (SMS) Training**

### 3-2-6 Fair Performance Management System

The Company has established the Performance Evaluation Regulations, which are aimed at implementing effective performance management through a transparent appraisal system, thereby encouraging employees to realize their full potential. The proportion of employees who underwent performance evaluations during the reporting period is shown in the table below:

Category	Managerial Staff	Non-Managerial Staff	Direct Employees	Indirect Employees
Percentage of male employees evaluated (%)	100	100	100	0
Percentage of female employees evaluated (%)	100	100	100	0



## 3-2-7 Human Rights Commitment

### 3-2-7-1 Human Rights Policy

To fulfill its corporate social responsibility, Franbo is committed to upholding international human rights standards, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and Conventions of the International Labour Organization. The Company respects internationally recognized fundamental human rights, including freedom of association, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and the elimination of employment and occupational discrimination. Franbo is firmly against any acts of human rights violations and is dedicated to ensuring that all employees are treated fairly, equally, and with dignity.

The Human Rights Policy of Franbo applies to all employees of the Company and its affiliated vessels and asset management companies. The Company complies with local labor laws and regulations on gender equality in employment and has established relevant policies and measures to safeguard human rights and labor practices.

#### The Human Rights Policy of Franbo is outlined as follows:

##### I. Diversity, Inclusion, and Equal Opportunity:

1. The Company shall comply with relevant laws and regulations, including those related to gender equality, labor rights, and non-discrimination.
2. To fulfill its responsibility in protecting human rights, the Company may, as needed, establish relevant management policies and procedures, including:
  - (1) Issuing a corporate human rights policy or statement.
  - (2) Assessing the impact of business operations and internal management on human rights, and formulating corresponding handling procedures.
  - (3) Regularly reviewing the effectiveness of the human rights policy or statement.
  - (4) In cases involving human rights violations, disclosing the handling procedures for the affected stakeholders. Franbo respects labor rights, including freedom of association, the right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of discrimination in employment and occupation. The Company ensures that its human resources policies are free from discrimination based on gender, race, socioeconomic class, age, and marital or family status. Equal and fair treatment is promoted in recruitment, employment conditions, remuneration, benefits, training, evaluation, and promotion opportunities. When issues arise that may harm labor rights, the Company shall provide effective and appropriate grievance mechanisms to ensure equality and transparency throughout the complaint process. Grievance channels must be simple, accessible, and smooth, and employee complaints must be appropriately addressed.

II. Healthy and Safe Workplace: The Company shall provide employees with a safe and healthy work environment, including essential health and first aid facilities. The Company commits to preventing occupational accidents by minimizing risks that may endanger employee safety and health. Regular safety and health education and training are provided to employees.

III. Reasonable Working Hours: To protect employees from excessive working hours, Franbo has clearly established guidelines regarding standard and extended working hours. It regularly monitors employee attendance and well-being.

IV. Harmonious Labor Relations and Communication: To foster a harmonious and mutually beneficial labor – management relationship, the Company has established diverse and open communication channels and holds regular labor – management meetings to enable effective two-way communication and mediation of differences.

V. Freedom of Association: The Company respects employees' rights to freely associate in accordance with the law. Employees are encouraged to form and join a variety of employee clubs, and the Company actively promotes participation in these clubs.

#### Human Rights Due Diligence Process



### 3-2-7-2 Human Rights Due Diligence

Franbo has established its Human Rights Policy to identify key human rights issues of concern across various sectors and to review its internal systems accordingly. The Company formulates relevant policies to prevent potential human rights risks, regularly evaluates the effectiveness of its human rights policies, and makes necessary adjustments to mitigate adverse impacts. It also conducts periodic follow-ups on its human rights management policies and action plans to ensure effective implementation and reduce risk exposure.

Franbo has established grievance procedures, with a dedicated whistleblowing e-mail and phone line. Additionally, the Company has clearly defined human rights regulations, including personnel rules, workplace sexual harassment prevention measures, complaint and disciplinary procedures, and the Ethical Corporate Management Best Practice Principles.

In 2024, in response to heightened public concern in Taiwan regarding workplace bullying and sexual harassment, the Company not only provided training and awareness campaigns but also conducted in-depth department visits to assess the situation. The results indicated that Franbo had no violations of the Labor Standards Act or Employment Service Act, no reports of workplace sexual harassment or illegal harm, and no reports of any human rights violations.



### 3-2-8 Anti-Discrimination and Harmonious Labor Relations

The Company is committed to protecting the human rights of shore-based employees and safeguarding employee rights in compliance with the Labor Standards Act, the Occupational Safety and Health Act, the Gender Equality in Employment Act, and other relevant laws and government human rights policies. In accordance with gender equality regulations, the Company prohibits any form of differential treatment or discrimination against employees based on race, religion, gender, or other factors.

These principles are explicitly stated in the Company's work rules and are further supported by diverse communication channels and management mechanisms to ensure proper care for all employees and foster a respectful, caring, and human rights-oriented corporate environment.

At all operating sites, the Company has established personnel work rules and procedures for recruitment, employment, resignation, and retirement, which explicitly prohibit the employment of child labor. The Company is committed to protecting employee human rights and personal privacy and preventing improper discrimination. During talent recruitment, the Company upholds the principles of fairness, justice, and integrity. Recruitment, selection, and employment practices comply with all legal regulations and do not discriminate based on race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, or physical or mental disabilities.

Regarding the assignment of seafarers, the Company requires seafarer recruitment agencies to comply with the Maritime Labour Convention (MLC) Regulation A1.1, which stipulates that "The employment, engagement or work on board a ship of any person under the age of 16 shall be prohibited." To meet the requirements of the Convention and relevant laws, the Company's Safety Management System Procedure FBP-06-01 on Seafarer Recruitment stipulates that "seafarers under the age of 18 shall not be employed", thereby ensuring the physical and mental well-being and safety of underage workers and prohibiting them from engaging in hazardous work.

The Company employs seafarers regardless of nationality or rank and provides each seafarer with the same daily meal allowance. In accordance with MLC regulations, seafarers have the right to file complaints through legitimate channels. Complaint procedures and contact information are posted on ship bulletin boards and in crew quarters to ensure that seafarers are fully informed of their rights.

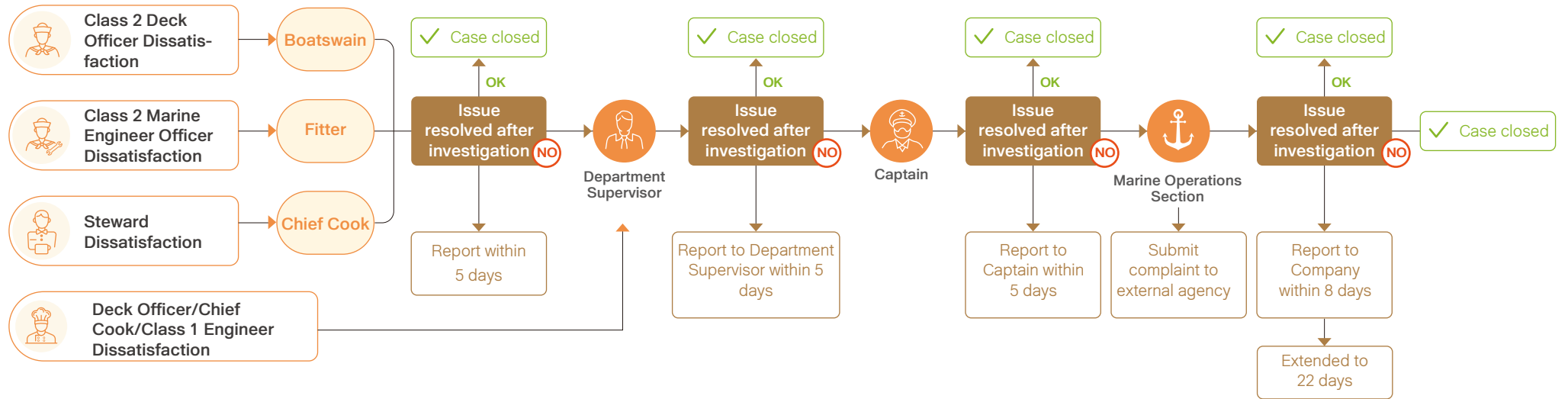
Work hours for seafarers are regulated in accordance with MLC regulations as outlined in the Safety Management System Procedure FBP-07-21. These comply with MLC Regulation 2.3 on Hours of Work and Hours of Rest: the maximum working hours shall not exceed 14 hours in any 24-hour period and not more than 72 hours in any 7-day period; the minimum rest hours shall not be less than 10 hours in any 24-hour period and not less than 77 hours in any 7-day period. Rest periods may be divided into no more than two segments, one of which must be at least 6 hours.

In the event of any unequal or unreasonable incidents, the Company has established complaint channels such as a dedicated phone line and e-mail. Measures are also in place to investigate incidents and to prevent recurrence, including reassignment or disciplinary actions as necessary. Seafarers have the right to file complaints through proper channels to ensure the protection of their rights.

In 2024, the Company did not employ any child labor, nor were there any incidents of discrimination. To date, no complaints have been recorded.

## Seafarer Grievance Procedure

### Grievance Flowchart





### 3-2-9 Support for Freedom of Association

Franbo respects the right of employees to freedom of assembly and association as granted by law and is committed to providing smooth labor – management communication channels. These include labor – management meetings, occupational safety and health committee meetings, etc. In accordance with legal requirements, the Company has established an Employee Welfare Committee and convenes regular labor – management meetings, where relevant labor issues may be raised as proposals. Monthly staff meetings serve as opportunities for employees and the Company to exchange opinions. Communication channels also include a Company Suggestion Box and a designated e-mail: hrm@franbo.com.tw, providing accessible grievance mechanisms to safeguard employees' legal rights. If employees have concerns about the Company' s existing systems, policies, administrative measures, misapplication of personnel regulations, or any other matters affecting morale or legitimate rights, they may file a grievance with the Company. If they are dissatisfied with the outcome, they may request a re-review or appeal. The goal is to integrate resources and work together toward shared objectives.

At present, the Company does not have a labor union; therefore, no collective bargaining agreements have been signed by employees. However, Franbo includes the applicable collective agreement as part of its employment contracts for seafarers.

Advocating for reasonable working conditions, rights, and development contributes to balanced business operations and enhances corporate engagement in society. The Company also encourages employees to participate in healthy activities and supports the establishment of employee clubs to promote well-being and cohesion.

The Company has established an Employee Welfare Committee in accordance with the law and encourages employees to freely establish and join employee clubs. A yoga club was formed in 2022, and a badminton club was established by the end of 2024. Participation has been enthusiastic across all levels, including senior executives, with the Chairman also taking part in these activities.



The Company has always prioritized the physical and mental well-being of its seafarers. Recreational facilities are provided or use during non-working hours, and seafarers are encouraged to organize health and fitness activities in their leisure time.

#### Promotion of health and fitness activities



#### Recreational entertainment



#### Sponsorship of sports competitions and banquets for Vietnamese seafarers





## 3-3 Healthy and Safe Workplace

Franbo has established the Occupational Safety and Health Code applicable to shore-based operations and the Risk Assessment Procedure FBP-07-13 applicable to shipboard operations.

**Shore-based Operations:** In accordance with Article 34 of the Occupational Safety and Health Act, Franbo has formulated its Occupational Safety and Health Code, which all workers are required to follow. The code covers maintenance and inspection of equipment; workplace safety and health standards; education and training; emergency response and rescue; preparation, maintenance, and use of protective equipment; accident reporting; and related matters to ensure the safety of employees.

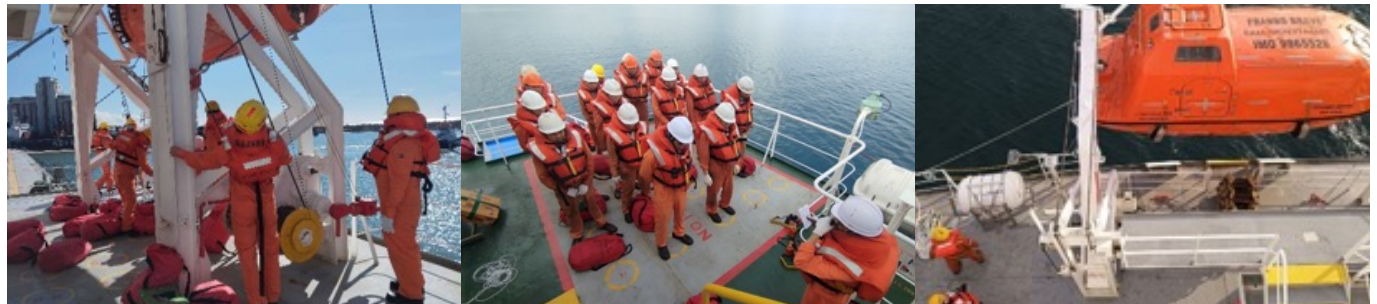
**Shipboard Risk Assessment Procedure:** The captain serves as the Company's representative. When taking command of a vessel, the captain is responsible for conducting risk assessments for critical operations, such as navigating in severe weather, sailing through restricted or low-visibility waters, refueling, entry into confined spaces, hot work, or working at heights, before any operation begins. These activities pose significant risks and must undergo comprehensive evaluation. The chief engineer and chief officer are to assist the captain in completing risk-based assessments (FBC-024) before giving work instructions or starting tasks. Necessary precautions and risk control measures must be taken to protect the safety and health of crew members and others onboard. For critical or non-routine operations with a risk level higher than medium, the chief engineer and chief officer are required to conduct a Toolbox Meeting (FBR-OC-03). For cybersecurity risk assessments, please refer to SMS FBP-07-22.

To establish a culture of occupational safety and health within the Company, enhance all crew members' awareness of safety and health, eliminate potential hazards, and promote employee safety and well-being with the goal of achieving zero accidents, Franbo adheres to the International Convention for the Safety of Life at Sea (SOLAS). An annual drill schedule has been developed under the Safety Management System, listing a total of 25 types of drills. These drills aim to strengthen crew emergency response capabilities and reduce the risk of occupational accidents.

Fire Drill at Sea



Survival Drill at Sea



In accordance with the Occupational Safety and Health Act and the Regulations of the Labor Health Protection, the Company has developed a Health Service Plan for its onshore employees. All employees, regardless of age, receive an annual health checkup. The Company also provides personal protective equipment and plays safety awareness videos to implement health protection and occupational safety measures. If any abnormalities are found in an employee's health checkup results, the Company provides health consultation and guidance and arranges on-site health services to help employees monitor and manage their health conditions.

Check-in



Measurement by Precision Instrument



Height and Weight Measurement



Doctor Consultation



Health Seminar



## Health Checkup Statistics and Cost Summary for Onshore Employees

### General Health Checkup

Checkup Item	General Items
Number of People Checked	50
Checkup Cost	NT\$100,000

### Health Checkup Statistics and Cost Summary for Seafarers

Checkup Item	Health checkup items required by STCW/MLC regulations
Number of People Checked	231
Checkup Cost	US\$18,480

Seafarers are employed on a contractual basis, typically for a period of 6 to 10 months. The Company provides medical examinations that comply with STCW/MLC requirements for seafarers prior to boarding.



In accordance with MLC regulations, the Company monitors seafarers' working hours and arranges leave accordingly to prevent overwork and safeguard their physical and mental health. The Company also ensures that the human rights of seafarers are well protected.

For the onshore office, the Company has established an occupational injury prevention plan. Through a systematic approach, the plan covers the establishment of occupational safety and health organizations, change management, procurement, contracting, emergency response, self-inspections and improvements, audits of the safety and health management system, corrective actions, and recordkeeping. Implementation of these measures helps enhance and enforce occupational safety and health while preventing workplace accidents.

During the reporting period, there was one occupational accident in the onshore office, which was a commuting traffic incident. One occupational injury occurred at sea, where an engine room crew member fractured a finger on his left hand while repairing a passageway in the engine room due to operational mishandling. The crew member was urgently disembarked for medical treatment and fully recovered after several weeks of rest.

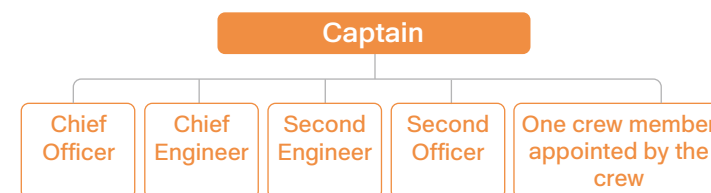
## Office Employees

Category	Item	2022	2023	2024
Total Working Hours	Total Hours Worked by Female Employees	44,767.0	46,598	51,855
	Total Hours Worked by Male Employees	39,525.0	41,348	41,085
	Total Hours Worked	84,292.0	87,946	92,940
Number of Occupational Fatalities	Female Occupational Fatalities	0	0	0
	Male Occupational Fatalities	0	0	0
	Total Occupational Fatalities	0	0	0
Number of Severe Occupational Injuries (Excluding Fatalities)	Female Severe Occupational Injuries	0	0	0
	Male Severe Occupational Injuries	0	0	0
	Total Severe Occupational Injuries	0	0	0
Recordable Occupational Injuries (Including Fatalities and Severe Injuries)	Female Recordable Occupational Injuries	0	0	1
	Male Recordable Occupational Injuries	0	0	0
	Total Recordable Occupational Injuries	0	0	1
Occupational Fatality Rate (%)		0	0	0
Severe Occupational Injury Rate (%)		0	0	0
Recordable Occupational Injury Rate (%) (Including Fatalities and Severe Injuries)		0	0	10.76

Note: Recordable Occupational Injury Rate = Recordable Occupational Injuries (including fatalities and severe injuries) / Total Working Hours × 1,000,000

Each vessel under the Company has established a Ship Safety Committee, consisting of six members. The captain serves as the representative of the employer, whereas the remaining five members are employee representatives. The committee is responsible for supervising and advising on occupational health and safety planning. Regular meetings are held to jointly discuss, review, coordinate, and make recommendations for the promotion of occupational safety and health management, aiming to provide employees with a more friendly, comfortable, and safe working environment.

## Occupational Safety and Health Committee Organizational Structure:



Since most accidents are caused by human error, seafarers are required to undergo occupational safety and health training. The training statistics for the reporting period are as follows: The Company provides training videos and equipment for crew members onboard to conduct regular education and training.

Average training time per person: 29 minutes = Total training time: 10,034 hours / Total number of crew: 346 people

Number of training types onboard: 29 types; each session duration: 0.5 hours; each training type is conducted twice per year

Total training time = 29 types × 0.5 hours × 2 = 29 hours

Training types related to safety: 20 types = 10 hours

### ■ Fleet Employees

Category	Item	2022	2023	2024
Total Working Hours	Total Hours Worked by Female Employees	0	0	0
	Total Hours Worked by Male Employees	320,3200	470,680	498,960
	Total Hours Worked	320,3200	470,680	498,960
Number of Occupational Fatalities	Female Occupational Fatalities	0	0	0
	Male Occupational Fatalities	0	0	0
	Total Occupational Fatalities	0	0	0
Number of Severe Occupational Injuries (Excluding Fatalities)	Female Severe Occupational Injuries	0	0	0
	Male Severe Occupational Injuries	0	0	0
	Total Severe Occupational Injuries	0	0	0
Recordable Occupational Injuries (Including Fatalities and Severe Injuries)	Female Recordable Occupational Injuries	0	0	0
	Male Recordable Occupational Injuries	0	1	1
	Total Recordable Occupational Injuries	0	1	1
Occupational Fatality Rate (%)		0	0	0
Severe Occupational Injury Rate (%)		0	0	0
Recordable Occupational Injury Rate (%) (Including Fatalities and Severe Injuries)		0	2.125	2.004

Note : 1.Occupational Fatality Rate = (Number of Occupational Fatalities / Total Working Hours) × 1,000,000

Note : 2.Severe Occupational Injury Rate = Number of Severe Occupational Injuries (excluding fatalities) / Total Working Hours × 1,000,000

Note : 3.Recordable Occupational Injury Rate = Recordable Occupational Injuries (including fatalities and severe injuries) / Total Working Hours × 1,000,000

Note : 4.Severe Occupational Injuries are defined as injuries that prevent full recovery within six months.

In accordance with MLC regulations, the Company monitors seafarers' working hours and arranges leave accordingly to prevent overwork and safeguard physical and mental health. The Company also ensures that the human rights of seafarers are well protected.





## 3-4 Social Care

The Company's main operations are based in Kaohsiung City and do not have any negative impact on the local community. In 2024, the Company responded to social needs by donating to the 2024 (April 3) Hualien Earthquake Relief and contributed to talent education efforts. In fulfilling its corporate social responsibility, the Company participated in the following public welfare activities:

### Public Welfare Activities and Donations

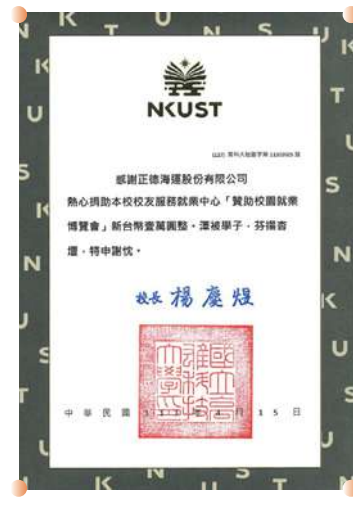
Public Welfare Activity	Amount	Description
Donation to the "April 3 Hualien Earthquake Relief" Project	NT\$1,386,513	Fundraising for the April 3 Hualien Earthquake Relief
Sponsorship of Campus Employment Program	NT\$10,000	Assisting graduating students with employment
Earth-Friendly and Sustainable Tree Planting Activity	NT\$100,000	Sponsorship of the "Creating a New Coastal Paradise" tree planting event in Qiding
Sponsorship of Sports Events	NT\$100,000	Sponsorship of FIBA 3X3 Basketball Competition



### Photos of Public Welfare Activities



Donation to the "April 3 Hualien Earthquake Relief" Project



Sponsorship of Campus Employment Program



Earth-Friendly and Sustainable Tree Planting Activity



Sponsorship of Sports Events





# Green Ocean



## 4-1 Energy Efficiency Management

### 4-1-1 Energy Management

Greenhouse gas emissions are the primary cause of global warming. In response to this issue and to fulfill its corporate social responsibility, the Company is committed to advancing greenhouse gas reduction policies both internally and throughout the supply chain. Through the implementation of concrete energy-saving and carbon-reduction measures, the Company aims to achieve a year-on-year reduction in greenhouse gas emissions.

The table below presents Franbo's energy consumption over the past 3 years:

#### ■ Office Energy Consumption

Quantitative Indicators	Unit	2022	2023	2024
Electricity Consumption	kWh/year	108,400	105,280	85,840
	GJ	390.24	379.01	309.03
Electricity Use Intensity (EUI)	kWh/m <sup>2</sup>	80.30	77.99	63.59
Gasoline Consumption	L/Year	921.53	2,863.0	3,612.0
	GJ	30.94	96.12	117.96
Organization-Specific Metric	Office Building Area	1,350	1,350	1,350
Total Energy Consumption	GJ	421.18	475.13	426.99
Energy Intensity	(GJ/Office Building A)	0.3120	0.3519	0.3163

Note : 1.Electricity usage is based on actual meter readings; Gasoline usage for company vehicles is compiled from fuel receipts.

Note : 2.Electricity Use Intensity (EUI) = Purchased electricity / Total office building area (1,350 m<sup>2</sup>)

Note : 3.Energy conversion factors: Purchased electricity: 3,600 GJ/GWh; Gasoline: 32,658 kJ/L

- Electricity consumption declined in 2024 due to the replacement of air conditioning systems with inverter models.
- Gasoline consumption increased in 2024 due to company subsidies for senior executive vehicles.



#### ■ Fleet Energy Consumption

Quantitative Indicators	Unit	2022	2023	2024
Diesel Consumption	L/Year	2,468,610	2,413,148	4,273,000
	GJ	86,822.99	84,872.34	152,973
Fuel Oil Consumption	L/Year	25,306,390	22,719,479	27,973,000
	GJ	1,071,195.41	1,018,357.07	1,079,757
Organization-Specific Metric	Revenue (NT\$1,000)	1,466,949	1,337,660	1,654,401
Total Energy Consumption	GJ	1,158,018.40	1,103,229.41	1,232,731
Energy Intensity	(GJ/Revenue [NT\$1,000])	0.7894	0.82	0.74

Note : 1.The fleet does not use office space; therefore, energy intensity is calculated based on revenue rather than building area.

Note : 2.Heating value coefficients: Diesel: 8,400 kcal/L; Fuel oil: 9,600 cal/L; from 2020 onward, only low-sulfur fuel oil has been used; 1 Kcal = 4.187 kJ

- Addition of New Vessels in 2024

## 4-1-2 Energy Efficiency Management

### Fuel Energy Usage:

commitment to corporate social responsibility and achieve the goals of green production and sustainable operations. For time-chartered vessels, fuel is procured by the charterers. However, Franbo requires the use of environmentally friendly low-sulfur fuel oil in accordance with the International Maritime Organization (IMO) regulation mandating sulfur content below 0.5%. Each fuel batch is sampled and tested after bunkering, and only those meeting standards are permitted for use, thereby ensuring compliance with regulatory requirements. In 2024, two newly built energy-efficient vessels were added to the fleet as part of the Company's strategy of maintaining a younger fleet profile. Franbo complies with the IMO's newly introduced environmental regulations, such as the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), and maintains strict monitoring mechanisms. Although these regulatory requirements impact vessel energy consumption and operating speeds, they effectively reduce greenhouse gas emissions from ships.

Onshore, the Company also promotes energy-saving awareness among office staff. Employees are encouraged to use public transportation for business travel and minimize the use of electrical appliances. Initiatives include promoting habits such as turning off lights when not in use to conserve electricity. In 2024, Franbo replaced its air conditioning system with an inverter model, which reduced electricity consumption by 19,440 kWh during the year.

Franbo places great importance on sustainable operations, not only by improving its own energy efficiency but also by striving to provide better facilities and services that help customers achieve energy savings, which contributes to long-term environmental sustainability.



### New Shipbuilding Plan and Implementation

To protect the Earth and marine environment and fulfill the goal of reducing carbon emissions per international shipping transport unit by 40% by 2030, Franbo is committed to effectively reducing greenhouse gas emissions and mitigating air pollution caused by its vessels. Since 2021, the Group has commissioned the design and construction of six new vessels. The shipbuilding plans incorporate two key indicators adopted during the IMO's MEPC 76 virtual meeting held from June 10 to June 17, 2021, namely the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII). These indicators have been treated as critical benchmarks for ship design, guiding the selection of high-quality shipyards to build efficient and environmentally friendly vessels that comply with the new standards. In 2023, four newly built energy-efficient vessels were added to the fleet. In 2024, two more energy-efficient vessels commenced operation, contributing to the reduction of greenhouse gas emissions from the fleet. An additional four vessels are scheduled to be constructed in 2025.

### Fleet

Equipment		How to Achieve Energy Saving
Electronically Controlled Fuel Injection System		Increases fuel combustion efficiency to reduce fuel consumption
Composite Boiler		Recovers waste gas from the main engine to generate steam as a heat source for ship operations
Energy-Saving Device	Reaction Rudder	Enhances propulsion performance
	Turbo Ring	Propulsion-assisted energy-saving device
	A.S. Fins	Asymmetric tail fins for energy savings
	Tapered Flow Fins	Stern-mounted throttling and flow control devices
	Tapered Flow Fins	Designed to maximize propulsion force
SK Bow Design		Minimizes speed loss in rough sea conditions
High-Efficiency Antifouling Hull Coating		Reduces hull resistance and enhances propulsion efficiency



## 4-2 Water Resource Management

Franbo recognizes the limited nature of water resources; therefore, water conservation has always been one of the Company's top priorities in resource management. Franbo's water consumption is grouped into two categories: water used on vessels and water used in office buildings. In addition to upgrading shipboard equipment and facilities, the Company also encourages employees to adopt water-saving practices to enhance overall water conservation efficiency.

The Company currently operates and manages a fleet of ten vessels. Water resources used onboard come from two sources: freshwater generated by desalination systems and freshwater supplied from shore.

### Freshwater from Desalination System:

Seawater is first pumped into the system by a supply pump and enters a vacuum chamber through a shut-off valve. The seawater flows through vertical pipes, the outer walls of which are surrounded by hot main engine cooling water. This heats the seawater, which begins to vaporize when it reaches its boiling point. Under the reduced pressure environment created by the vacuum pump, seawater vaporizes at a lower temperature. As the steam exits the vertical pipe, it separates from the remaining water and bypasses the top of a horizontal rectifier into a shell-and-tube condenser via steam – water separators located on both sides. Cooling seawater flows through the condenser tubes, where the vapor condenses into freshwater and is extracted by a condensate pump to the freshwater storage tank. The desalination system mainly comprises an evaporator and a condenser. In the evaporator, seawater absorbs waste heat from engine exhaust and evaporates. The vapor then flows into the condenser, where it condenses into freshwater.

### Shore-Based Freshwater Supply:

Freshwater is also obtained via local agents who coordinate shore-based freshwater supply operations

### ■ Vessel Water Consumption

Quantitative Indicators	2022	2023	2024
Water Intake (million liters)	0.0142	0.020472	0.02487
Water Discharge (million liters)	0.00114	0.000452	0.00201
Water Consumption (million liters)	0.01306	0.02002	0.02286

Note : 1. Water Consumption = Water Intake – Water Discharge

Note : 2. Vessel Water Intake: Refers to the total volume of water obtained via onboard desalination systems and shore-based supply.

Note : 3. Vessel Water Consumption: Refers to the amount of water used onboard for non-recoverable purposes such as machinery operations and crew sanitation.

Note : 4. Difference between 2022 and 2023 figures: Attributable to the acquisition or disposal of vessels.

Note : 5. 2022 data was corrected due to a unit conversion error.

Franbo's office building is located in Lingya District, Kaohsiung City, and its primary source of water is tap water. The table below shows the water usage data over the past 3 years:

### ■ Office Building Water Consumption

Quantitative Indicators	2022	2023	2024
Water Intake (million liters)	0.043	0.0423	0.045
Water Discharge (million liters)	0.043	0.042	0.045
Water Consumption (million liters)	0	0	0

Note: Water Consumption = Water Intake – Water Discharge. The building uses a single shared water meter; therefore, Franbo's reported water intake is calculated by dividing the total usage indicated on the monthly water bills issued by Taiwan Water Corporation by the number of occupants.

Since the building uses a single shared water meter, Franbo's reported water intake is calculated by dividing the total usage shown on monthly water bills issued by Taiwan Water Corporation by the number of occupants. The slight increase in water usage in 2024 was due to an increase in the number of new employees.



## 4-3 Air Pollution Control

### 4-3-1 Greenhouse Gas Emissions Management

Greenhouse gas (GHG) emissions are a major contributor to global warming. In response to this issue and to fulfill its corporate social responsibility, Franbo is aligning with the Financial Supervisory Commission's Sustainable Development Roadmap for TPEX-listed Companies, which requires the phased disclosure of GHG inventories and the formulation of carbon reduction measures for headquarters and subsidiaries starting in 2025. At the end of 2024, the Company partnered with a consulting firm to initiate the establishment of a GHG inventory system in accordance with ISO 14064-1:2018 starting from 2025. The entire process will cover everything from emissions inventory to third-party verification. The initiative also extends to include GHG inventory efforts for the Group's subsidiaries, including vessel fleets and property assets.

As part of its commitment to corporate social responsibility, Franbo will continue to promote greenhouse gas reduction policies within the Company and across its supply chain. Through the implementation of practical energy-saving, carbon-reduction, and water-conservation measures, the Company aims to achieve continuous annual reductions in greenhouse gas emissions.

#### ■ Office

Item	2022	2023	2024
Scope 1: Direct GHG Emissions (tCO <sub>2</sub> e)	41.7576	6.4793	41.9567
Scope 2: Indirect GHG Emissions (tCO <sub>2</sub> e)	55.1756	52.1136	42.4050
Total Emissions = Scope 1 + Scope 2 (tCO <sub>2</sub> e)	96.9332	58.5929	84.3620
GHG Emission Intensity (tCO <sub>2</sub> e / office building area)	0.072	0.043	0.063

Note : 1.Scope 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion, process emissions, mobile combustion from transportation, and fugitive emissions. Emission factors are calculated based on the latest data (version 6.0.4) published by the Energy Administration, Ministry of Economic Affairs, which aligns with the IPCC Fifth Assessment Report.

Note : 2.Scope 2 includes indirect emissions from energy use, such as purchased electricity.

Note : 3.The types of greenhouse gases included in the inventory are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

Note : 4.The emission factors for purchased electricity are based on the Energy Administration, Ministry of Economic Affairs announcements: 2021: 0.502 kg CO<sub>2</sub>e/kWh; 2022: 0.495 kg CO<sub>2</sub>e/kWh; 2023: 0.494 kg CO<sub>2</sub>e/kWh..

Although electricity consumption in 2024 decreased due to the installation of an inverter-type air conditioning system, Scope 1 fugitive emissions increased due to the replacement and refilling of refrigerants.

#### ■ Fleet

Item	2022	2023	2024
Scope 1 (Total): Direct GHG Emissions (tCO <sub>2</sub> e/year)	973.3046	1,273.6528	11,173.0008
Scope 3 (Total): Indirect GHG Emissions (tCO <sub>2</sub> e/year)	86,690.2383	77,225.2427	102,634.24
Total Emissions = Scope 1 + Scope 3 (tCO <sub>2</sub> e/year)	87,663.5430	78,498.8955	113,807.2408
GHG Emission Intensity (tCO <sub>2</sub> e/ revenue (NT\$1,0000)/ year)	0.0501	0.0587	0.0688

Note : 1.Scope 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion, process emissions, mobile combustion from transportation, and fugitive emissions. Scope 3 refers to indirect emissions from fuel usage controlled or owned by charterers. Emission factors are based on the latest data (version 6.0.4) published by the Energy Administration, Ministry of Economic Affairs, which aligns with the IPCC Fifth Assessment Report.

Note : 2.The types of greenhouse gases included in the inventory are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

Note : 3.Since vessels do not consume purchased electricity, Scope 2 emissions are not applicable.

Note : 4.The total emissions data for 2023 were previously reported in error and have been corrected in this year's report.

**The increase in 2024 emissions was primarily due to higher diesel fuel consumption by vessels.**



## Carbon Intensity Indicator (CII)

In response to the Paris Agreement and global carbon reduction strategies, the International Maritime Organization (IMO) adopted amendments to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) during the 76th session of the Marine Environment Protection Committee (MEPC) in June 2021. These amendments introduced two new regulations: the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII). The amendments officially came into effect on November 1, 2022, with the aim of further reducing greenhouse gas emissions from ship engines.

As of January 1, 2023, CII ratings are evaluated annually based on each vessel's transport work related fuel consumption. Ships are assigned performance ratings ranging from Grade A (best) to Grade E (worst). The CII rating system assesses the operational efficiency of vessels in terms of CO<sub>2</sub> emissions.

The CII regulation applies to all cargo ships, passenger roll-on/roll-off vessels, and cruise ships over 5,000 gross tonnage, and starting in 2024, each vessel's annual operational carbon intensity will be assessed based on its calendar-year performance.

### Franbo Fleet CII Ratings for 2024

Rating	Number of Vessels	Rating	Number of Vessels
A	7	D	0
B	3	E	0
C	1		

Note : 1.If a vessel receives a D or E rating, it must submit an improvement plan and adjust its fuel usage accordingly.

Note : 2.If a vessel receives a D rating for 3 consecutive years or an E rating in any single year, it must formulate a corrective action plan and obtain approval from a Recognized Organization (RO).

Note : 3.According to the IMO, greenhouse gas emissions under the IMO Data Collection System are calculated on a full accounting-year basis using a calendar-year format. Vessels are required to report their annual fuel consumption data to the flag state after the end of each calendar year.

## 4-3-2 Air Pollutant Emission Control

In response to growing concern about the air pollution caused by vessels, global emission standards for exhaust gases have grown progressively stricter each year. MARPOL Annex VI regulates the primary air pollutants found in ship emissions, including sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matter (PM<sub>10</sub>), and prohibits the deliberate release of any ozone-depleting substances. Modern vessels rely primarily on diesel engines for propulsion, and their exhaust emissions account for a major portion of air pollution in the maritime transport sector. NO<sub>x</sub> emissions from ships are mainly produced by the combustion of fuel in main engines and generators. In compliance with IMO sulfur limit regulations, since January 1, 2020, Franbo has required all charterers to use low-sulfur fuel with a sulfur content of no more than 0.5%; additionally, vessels entering Emission Control Areas must use fuel with a sulfur content not exceeding 0.1%.

To meet IMO's NO<sub>x</sub> emission standards for vessels operating in designated maritime areas, Franbo equips its newly built vessels with Selective Catalytic Reduction (SCR) or Selective Non-Catalytic Reduction (SNCR) systems. The key consumable in SCR/SNCR systems is urea, a highly reactive solution that is injected into the denitrification reaction chamber via ammonia injection nozzles. This urea solution mixes with the exhaust gases to effectively remove NO<sub>x</sub> and minimize impacts on air quality. When urea is injected into the exhaust streams of both main and auxiliary engines, a reduction reaction occurs between the urea and NO<sub>x</sub> to produce harmless nitrogen and water vapor, thereby achieving NO<sub>x</sub> reduction without affecting engine operation.

Item	2022	2023	2024	Unit	Note
Nitrogen Oxides (NO <sub>x</sub> )	1,566.2	888.61	1,040.17		Calculated using fuel consumption × NO <sub>x</sub> emission factor, based on Engine International Air Pollution Prevention (EIAPP) certificate data.
Sulfur Oxides (SO <sub>x</sub> )	294.93	165.22	246.08	tones	Calculated as total fuel consumption (kg) × sulfur content (%) × 20/1,000,000
Particulate Matter (PM <sub>10</sub> )	124.27	79.58	125.26		Calculated using fuel consumption × emission factor

Note: The number of newly built vessels received increased in 2024.

## 4-4 Wastewater and Waste Management

### 4-4-1 Wastewater Management

Wastewater generated by the Company's office consists primarily of domestic wastewater from cleaning activities. This wastewater is discharged into the government's sewage system by the building management committee. To protect the marine environment, Franbo ensures effective treatment of wastewater and waste during vessel operations at sea and in port, in strict compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL), established by the International Maritime Organization (IMO). Specifically, the Company's management of wastewater generated onboard its ships adheres to MARPOL Annex IV – Regulations for the Prevention of Pollution by Sewage from Ships. Sewage generated on vessels is classified and managed accordingly; tank wash water and deck water are collected in storage tanks and discharged only when the vessel is a safe distance from shore. If tank wash water contains substances harmful to the marine environment, shore reception is arranged at an appropriate port. Bilge water is treated in an oil – water separator before discharge to minimize impacts on the environment and human health. To enhance the effectiveness of its wastewater and waste management practices, Franbo follows a cyclical management approach, which includes strict implementation, close monitoring, regular inspections, and continuous improvement.

### 4-4-2 Waste Management

The Company's primary business involves vessel management services and the operation and chartering of bulk carriers. Construction work is outsourced to external contractors. The Company places strong emphasis on sustainable operations and ecological protection, recognizing the environmental impact of waste generation. To comply with government regulations, prevent air pollution, and safeguard the environment and public health, all vessels managed by Franbo strictly adhere to MARPOL regulations. Each vessel is required to implement a Garbage Management Plan and maintain a Garbage Record Book. Under MARPOL regulations, the discharge of nearly all types of waste into the ocean is prohibited, including plastic waste. However, the convention provides a specific exemption for food waste.

In accordance with MARPOL Annex V, food waste that has been comminuted or ground (to particles capable of passing through a mesh with openings no greater than 25 mm) may be discharged no less than 3 nautical miles from the nearest land. Untreated food waste may only be discharged at a distance of no less than 12 nautical miles from the nearest land. Waste generated during vessel operations includes crew domestic waste, waste from routine ship maintenance, and food waste. Waste management on board is carried out in accordance with Franbo's Safety Management System Procedure FBP-07-06, which governs garbage handling, collection, and documentation. All related data are recorded in the Garbage Record Book. At the corporate level, the Company conducts periodic checks and annual reporting to ensure proper monitoring. For any construction projects managed by Franbo's asset companies, outsourced contractors are required to handle waste in full compliance with applicable laws and regulations.





In 2024, neither the Company's vessels nor its office building generated any hazardous waste. The following tables show the non-hazardous waste generated from vessels and the office building:

### ■ Non-Hazardous Waste Generated Onboard Vessels

Waste Type	Onboard				Offloaded Ashore			
	2023		2024		2023		2024	
Item	Waste Generated (m3)	Treatment Method	Waste Generated (m3)	Treatment Method	Waste Generated (m <sup>3</sup> )	Treatment Method	Waste Generated (m <sup>3</sup> )	Treatment Method
Plastic Waste	-	-	x	-	61.31	Shore Disposal	31.19	Shore Disposal
Food Waste	38.763	Discharged at sea	47.60	Discharged at sea	4.87	Shore Disposal	5.45	Shore Disposal
Domestic Waste	10.82	Incineration	11.852	Incineration	82.82	Shore Disposal	26.60	Shore Disposal
Cooking Oil	0.11	Incineration	0.075	Incineration	0.2324	Shore Disposal	0.239	Shore Disposal
Combustion Ash	-	-	0.108	-	2.182	Shore Disposal	0.642	Shore Disposal

### ■ Non-Hazardous Waste Generated from the Office Building

Year	2023		2024	
Waste Type	On-Sit			
Item	Waste Generated (tons)	Treatment Method	Waste Generated (tons)	Treatment Method
Paper/Lunch Boxes	0.40	Other recycling operation	0.65	Other recycling operation
Plastic Bottles and Containers	0.25	Other recycling operation	0.25	Other recycling operation
Glass Bottles	0.06	Other recycling operation	0.06	Other recycling operation
Computers and Peripherals Office	0.01	Other recycling operation	0.10	Other recycling operation
Furniture/ Partitions	1.05	----	0.05	Other recycling operation

Note: In October 2024, approximately 200 kilograms of accounting vouchers from 2013 were discarded; outdated computer equipment was also replaced

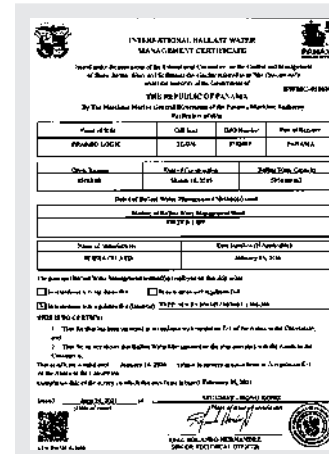
## 4-4-3 Vessel Retirement and Disposal

Like factory machinery and equipment, vessels have a defined service life from construction through operation to decommissioning. In line with the core principles of sustainable development, since 2016, Franbo has progressively required the preparation of the Inventory of Hazardous Materials (IHM) Part I for its owned vessels. These inventories are inspected and certified by classification societies. The purpose of this certification is to enable ship recycling yards to plan ahead for the proper handling and disposal of hazardous materials onboard before the dismantling process begins, thereby reducing potential harm to both the environment and human health during shipbreaking activities. To align with the requirements of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships established by the IMO, Franbo's vessel recycling processes are designed and planned in accordance with the Convention's assessment criteria, which includes compliance with labor health and safety, human rights, and environmental protection standards. In 2024, Franbo did not conduct any shipbreaking activities.

## 4-5 Environmental Protection and Regulatory Compliance

Covering 72% of the Earth's surface, the ocean is one of the planet's most vital ecosystems, a cradle of biodiversity and an essential resource for climate regulation, resource extraction, transportation, and fisheries. Despite its vastness, the ocean is not immune to overexploitation. Once the marine environment is damaged, restoration becomes extremely difficult. To achieve the goal of ocean sustainability, Franbo adheres to the philosophy of "Love the ocean, stay close to the ocean, and understand the ocean". The Company does not treat the ocean as a tool for profit at the expense of the environment, but instead aims to establish a mutually beneficial model of ecological circulation.

June 8 has been designated as World Oceans Day by the United Nations to raise global awareness about the importance of protecting the ocean. Among the Sustainable Development Goals, Goal 14: Life Below Water emphasizes the need to conserve and sustainably use marine ecosystems and ocean resources to support sustainable development. This goal includes targets such as reducing marine pollution and waste, sustainably managing and protecting marine and coastal ecosystems, mitigating ocean acidification, restoring fish stocks to sustainable levels, and protecting at least 10% of coastal and marine areas. The hope is to achieve these aims through legislation and policy, in alignment with the United Nations Convention on the Law of the Sea and other existing regional and international frameworks. The Company's fleet also complies with the International Convention for the Control and Management of Ships' Ballast Water and Sediments, established by the IMO, while operating in international waters. All managed vessels are equipped with ballast water treatment systems, and the Chief Officer is designated to maintain proper records to ensure that ballast water management and/or treatment procedures are correctly implemented and documented. Wherever possible, ballast water is exchanged in deep sea, open ocean, and far from shore. Each vessel is equipped with a third-party approved Ballast Water Management Plan and holds a valid International Ballast Water Management Certificate. Before entering port, ships carry out ballast water exchange or disinfection procedures to prevent the spread of potentially harmful aquatic organisms and pathogens through water discharge. These invasive species can pose serious threats to ecosystems and cause economic impacts in affected regions.



International Ballast Water



International Anti-Fouling



International Anti-Fouling

The Company uses marine coatings that comply with the International Convention on the Control of Harmful Anti-fouling Systems on Ships, and has obtained the relevant certificates. Research has shown that anti-fouling paints containing tributyltin (TBT) are toxic and harmful to marine life; such paints have now been completely banned worldwide.

In 2024, the Company's vessels transited through the Stellwagen Bank National Marine Sanctuary, managed by the U.S. National Oceanic and Atmospheric Administration. During passage, the vessels voluntarily reduced their speed to below 10 knots to help reduce air pollution and avoid fatal harm to endangered whales. All vessels in the Company's fleet are in full compliance with international environmental regulations, and there were no environmental violations recorded in 2024.



## 4-6 Vessel Safety

To ensure the safety of both crew and vessels in its fleet, Franbo strictly adheres to international conventions such as the International Convention for the Safety of Life at Sea and MARPOL. During transportation, the Company utilizes the StormGeo professional weather routing system to receive the safest route recommendations. Vessels follow maintenance schedules based on classification society inspections. Through the Company's ERP system, necessary spare parts are procured in a timely and complete manner for supply to vessels. Maintenance and inspections are carried out at selected shipyards according to plan, ensuring that the vessels remain in good operating condition and in compliance with the relevant international conventions enforced under Port State Control (PSC) inspections.

Authorized by the IMO, port states may conduct PSC inspections while vessels are docked. During such inspections, captains cooperate fully with PSC officers, and if deficiencies are identified, the Company's shore-based personnel provide assistance to implement corrective actions, ensuring successful clearance. For operations in high-risk waters, the Company may require charterers to hire armed security personnel as to escort the vessel, thereby reducing the risk of attacks. To safeguard crew safety, the Company equips personnel with appropriate workwear, safety footwear, and other personal protective equipment and ensures that all crew members receive training in fire safety, emergency response, and first aid. Additionally, the Company complies with the Maritime Labour Convention by implementing safety measures to protect seafarers and prevent accidents.







# Appendices



# Appendix 1: GRI Standards Content Index

An asterisk 「\*」 indicates a material topic.

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
GRI 2 General Disclosures 2021						
1.The organization and its reporting practices						
GRI 2: General Disclosures 2021	2-1	Organizational details		About The Report	4	
	2-2	Entities included in the organization' s sustainability reporting		About The Report	4	
	2-3	Reporting period, frequency and contact point		About The Report	4	
	2-4	Restatements of information		About The Report	4	
	2-5	External assurance		About The Report	4	
2. Activities and workers						
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships		Message from the Management	5	
	2-7	Employees		3.1 Labor Relations	51	
	2-8	Workers who are not employees		3.1 Labor Relations	51	
3. Governance						
GRI 2: General Disclosures 2021	2-9	Governance structure and composition		2.1 Leading Corporate Governance	27	
	2-10	Nomination and selection of the highest governance body		2.1 Leading Corporate Governance	27	
	2-11	Chair of the highest governance body		2.1 Leading Corporate Governance	27	
	2-12	Role of the highest governance body in overseeing the management of impacts		2.1 Leading Corporate Governance	27	
	2-13	Delegation of responsibility for managing impacts		2.1 Leading Corporate Governance	27	
	2-14	Role of the highest governance body in sustainability reporting		2.1 Leading Corporate Governance	27	
	2-15	Conflicts of interest		2.1.6 Conflicts of Interest	30	
	2-16	Communication of critical concerns		1.6.1 Stakeholder Communication Channels	14	
	2-17	Collective knowledge of the highest governance body		2.1 Leading Corporate Governance	27	
	2-18	Evaluation of the performance of the highest governance body		2.1.4 Performance Evaluation	29	
	2-19	Remuneration policies		3.2.1 Employee Rights and Benefits	54	
	2-20	Process to determine remuneration		3.2.1 Employee Rights and Benefits	54	
	2-21	Annual total compensation ratio		3.2.1 Employee Rights and Benefits	54	

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
4. Strategy, policies and practices						
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy		1.5 Sustainability Policies and Development	12	
	2-23	Policy commitments		1.5.1 Sustainability Strategy	12	
	2-24	Embedding policy commitments		1.5.1 Sustainability Strategy	12	
	2-25	Processes to remediate negative impacts		1.6 Stakeholder Engagement	14	
	2-26	Mechanisms for seeking advice and raising concerns		1.6 Stakeholder Engagement	14	
	2-27	Compliance with laws and regulations		2.3.2 Internal Control System	41	
	2-28	Membership associations		1.3.3 External Associations	11	
5. Stakeholder engagement						
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement		1.6 Stakeholder Engagement	14	
	2-30	Collective bargaining agreements		Shore-based personnel have not established a labor union and there is no collective agreement; however, freedom of assembly and association is ensured through quarterly labor – management meetings and monthly mobilization meetings.		
GRI 3: Material Topics 2021						
GRI 3: Material Topics 2021	3-1	Process to determine material topics		1.7. Identification of Material Topics	16	
	3-2	List of material topics		1.7. Identification of Material Topics	16	
	3-3	Management of material topics		1.7. Identification of Material Topics	16	
Topic Standards - GRI 200: Economic						
GRI-201: Economic Performance 2016						
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		1.4 Business Overview	10	
	201-2	Financial implications and other risks and opportunities due to climate change		2.2.4 Climate-related Financial Risks	35	
	201-3	Defined benefit plan obligations and other retirement plans		3.2 Friendly Workplace	54	
	201-4	Financial assistance received from government		The Company does not receive financial subsidies from the government.		

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
Market Presence						
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		3.1 Labor Relations	51	
	202-2	Proportion of senior management hired from the local community		3.1.1 Talent Deployment and Workforce Diversity	51	
Indirect Economic Impacts						
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported		2 Sustainable Governance	27	
	203-2	Significant indirect economic impacts		2 Sustainable Governance	27	
Procurement Practices						
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		2.5 Sustainable Supply Chain	47	
* Anti-corruption						
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		2.3 Ethical Management	41	
	205-2	Communication and training about anti-corruption policies and procedures		2.3 Ethical Management	41	
	205-3	Confirmed incidents of corruption and actions taken		2.3 Ethical Management	41	
Anti-competitive Behavior						
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		2.3 Ethical Management	41	
Tax						
GRI 207: Tax 2019	207-1	Approach to tax		1.4.2 Tax Policy and Practices	11	
	207-2	Tax governance, control, and risk management		1.4.2 Tax Policy and Practices	11	
	207-3	Stakeholder engagement and management of concerns related to tax		1.4.2 Tax Policy and Practices	11	
	207-4	Country-by-country reporting		1.4.2 Tax Policy and Practices	11	

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021			
GRI Standard/Topic	Number	Disclosure Content		External Assurance	Corresponding Section	Page Number	Omissions/Remarks
Topic Standards-GRI: 300 Environment							
Materials							
GRI 301: Materials 2016	301-1	Materials used by weight or volume			The Company operates in the maritime shipping industry; it does not engage in the production of materials, products, or the use and recycling of packaging materials.		
	301-2	Recycled input materials used					
	301-3	Reclaimed products and their packaging materials					
Energy							
GRI 302: Energy 2016	302-1	Energy consumption within the organization			4.1.1 Energy Management	70	
	302-2	Energy consumption within the organization			4.1.1 Energy Management	70	
	302-3	Energy intensity			4.1.1 Energy Management	70	
	302-4	Reduction of energy consumption			4.1.3 Reducing Energy Consumption	71	
	302-5	Reductions in energy requirements of products and services			4.1.2 Energy Efficiency Management	71	
Water and Effluents							
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource			4.2 Water Resource Management	72	
	303-2	Management of water discharge-related impacts			4.2 Water Resource Management	72	
	303-3	Water withdrawal			4.2 Water Resource Management	72	
	303-4	Water discharge			4.2 Water Resource Management	72	
	303-5	Water consumption			4.2 Water Resource Management	72	
* Biodiversity							
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			4.5 Environmental Protection and Regulatory Compliance	77	
	304-2	Significant impacts of activities, products and services on biodiversity			4.5 Environmental Protection and Regulatory Compliance	77	
	304-3	Habitats protected or restored			4.5 Environmental Protection and Regulatory Compliance	77	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			4.5 Environmental Protection and Regulatory Compliance	77	



Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
Emissions						
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		4.3 Air Pollution Control	73	
	305-2	Energy indirect (Scope 2) GHG emissions		4.3 Air Pollution Control	73	
	305-3	Other indirect (Scope 3) GHG emissions		4.3 Air Pollution Control	73	
	305-4	GHG emissions intensity		4.3 Air Pollution Control	73	
	305-5	Reduction of GHG emissions		4.3 Air Pollution Control	73	
	305-6	Emissions of ozone-depleting substances (ODS)		4.3.2 Air Pollutant Emission Control	74	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		4.3.2 Air Pollutant Emission Control	74	
Waste						
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts		4.4.2 Waste Management	75	
	306-2	Management of significant waste-related impacts		4.4.2 Waste Management	75	
	306-3	Waste generated		4.4.2 Waste Management	75	
	306-4	Waste diverted from disposal		4.4.2 Waste Management	75	
	306-5	Waste directed to disposal		4.4.2 Waste Management	75	
Supplier Environmental Assessment						
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		2.5 Sustainable Supply Chain	47	
	308-2	Negative environmental impacts in the supply chain and actions taken		2.5 Sustainable Supply Chain	47	
Topic Standards-GRI: 400 Social						
* Employment						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover		3.1.1 Talent Deployment and Workforce Diversity	51	
	402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		3.2 Friendly Workplace	54	
	402-3	Parental leave		3.2 Friendly Workplace	54	

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
* Labor/Management Relations						
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		3.1.2 Termination of Employment Relationship	54	
* Occupational Health and Safety						
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		3.3 Healthy and Safe Workplace	64	
	403-2	Hazard identification, risk assessment, and incident investigation		3.3 Healthy and Safe Workplace	64	
	403-3	Occupational health services		3.3 Healthy and Safe Workplace	64	
	403-4	Worker participation, consultation, and communication on occupational health and safety		3.3 Healthy and Safe Workplace	64	
	403-5	Worker training on occupational health and safety		3.3 Healthy and Safe Workplace	64	
	403-6	Promotion of worker health		3.3 Healthy and Safe Workplace	64	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		3.3 Healthy and Safe Workplace	64	
	403-8	Workers covered by an occupational health and safety management system		3.3 Healthy and Safe Workplace	64	
	403-9	Work-related injuries		3.3 Healthy and Safe Workplace	64	
	403-10	Work-related ill health		3.3 Healthy and Safe Workplace	64	
* Training and Education						
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		3.3 Healthy and Safe Workplace	64	
	404-2	Programs for upgrading employee skills and transition assistance programs		3.3 Healthy and Safe Workplace	64	
	404-3	Percentage of employees receiving regular performance and career development reviews		3.3 Healthy and Safe Workplace	64	
Diversity and Equal Opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		3.1.1 Talent Deployment	51	
	405-2	Ratio of basic salary and remuneration of women to men		3.2 Friendly Workplace	54	
Non-discrimination						
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		3.2.8 Anti-Discrimination and Harmonious Labor Relations	61	

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
Freedom of Association and Collective Bargaining						
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		3.2.9 Support for Freedom of Association	63	
Child Labor						
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		3.1.1 Talent Deployment	51	
Forced or Compulsory Labor						
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		3.1.1 Talent Deployment	51	
Security Practices						
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures		3.1.1 Talent Deployment and Workforce Diversity	51	
Rights of Indigenous Peoples						
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples		3.1.1 Talent Deployment and Workforce Diversity	51	
Local Communities						
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs		3.4 Social Care	68	
	413-2	Operations with significant actual and potential negative impacts on local communities		3.4 Social Care	68	
Supplier Social Assessment						
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		2.5 Sustainable Supply Chain	47	
	414-2	Negative social impacts in the supply chain and actions taken		2.5 Sustainable Supply Chain	47	

Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021			
GRI Standard/Topic	Number	Disclosure Content		External Assurance	Corresponding Section	Page Number	Omissions/Remarks
Public Policy							
GRI 415: Public Policy 2016	415-1	Political contributions			2.3 Ethical Management	41	
Customer Health and Safety							
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories			2.4.1 High-Quality Service Assurance	44	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			2.4 Customer Service Management	43	
Marketing and Labeling							
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling			2.4.1 High-Quality Service Assurance	44	
	417-2	Incidents of non-compliance concerning product and service information and labeling			2.4.1 High-Quality Service Assurance	44	
	417-3	Incidents of non-compliance concerning marketing communications			2.4 Customer Service Management	43	
Customer Privacy							
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			2.4.2 Information Security and Privacy Protection	45	
Custom Topics							
GRI 103: Ethical Management – Management Approach	3-1	Process to determine material topics			2 Sustainable Governance - Management Approach	41	
	3-2	List of material topics			2 Sustainable Governance - Management Approach		
	3-2	Management of material topics			2 Sustainable Governance - Management Approach		
GRI 103: Corporate Governance – Management Approach	3-1	Process to determine material topics			2 Sustainable Governance - Management Approach	27	
	3-2	List of material topics			2 Sustainable Governance - Management Approach		
	3-3	Management of material topics			2 Sustainable Governance - Management Approach		



Reporting Period		January 1, 2024, to December 31, 2024		GRI 2021		
GRI Standard/Topic	Number	Disclosure Content	External Assurance	Corresponding Section	Page Number	Omissions/Remarks
GRI 103: Risk Management – Management Approach	3-1	Process to determine material topics		2 Sustainable Governance - Management Approach	33	
	3-2	List of material topics		2 Sustainable Governance - Management Approach		
	3-3	Management of material topics		2 Sustainable Governance - Management Approach		
GRI 103: Financial Impact of Climate Change – Management Approach	3-1	Process to determine material topics		2 Sustainable Governance - Management Approach	36	
	3-2	List of material topics		2 Sustainable Governance - Management Approach		
	3-3	Management of material topics		2 Sustainable Governance - Management Approach		
GRI 103: Human Rights and Harmonious Labor Relations – Management Approach	3-1	Process to determine material topics		3 Social Well-being - Management Approach	61	
	3-2	List of material topics		3 Social Well-being - Management Approach		
	3-3	Management of material topics		3 Social Well-being - Management Approach		
GRI 103: International Environmental Protection Conventions – Management Approach	3-1	Process to determine material topics		44 Green Ocean - Management Approach	77	
	3-2	List of material topics		44 Green Ocean - Management Approach		
	3-3	Management of material topics		44 Green Ocean - Management Approach		
GRI 103: Information Security – Management Approach	3-1	Process to determine material topics		2 Sustainable Governance - Management Approach	46	
	3-2	List of material topics		2 Sustainable Governance - Management Approach		
	3-3	Management of material topics		2 Sustainable Governance - Management Approach		

## Appendix 2: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (Article 4, Subparagraph 4) and Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies

No.	Indicator Description	Corresponding Section	Page Number
(1)	Number of full-time employees not holding managerial positions, the average and median salary of such employees, and changes in these three indicators from the previous year.	3.2.1 Employee Rights and Benefits	54
(2)	The company's governance of climate-related risks and opportunities, actual and potential climate-related impacts, how climate-related risks are identified, assessed, and managed, and the metrics and targets used to assess and manage climate-related issues.	2.2.4 Climate-related Financial Risks	35

## Appendix 3: Sustainability Accounting Standards Board (SASB) Content Index

Topic of Disclosure	Accounting Metric	Code	Category	Corresponding Section
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-MT-110A.1	Quantitative	4.3.1 Greenhouse Gas Emissions Management
	Description 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	TR-MT-110A.2	Quantitative	4.3 Air Pollution Control
	(1) Total energy consumed (2) Percentage heavy fuel oil (3) Percentage renewable	TR-MT-110A.3	Quantitative	4.1.1 Energy Management
	Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110A.4	Quantitative	Not Applicable
Air Quality	Air emissions for the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O) (2) SO <sub>x</sub> , and (3) particulate matter (PM <sub>10</sub> )	TR-MT-120A.1	Quantitative	4.3.2 Air Pollutant Emissions
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	TR-MT-160A.1	Quantitative	Not Applicable
	(1) Percentage of fleet implementing ballast water exchange (2) Percentage of fleet implementing ballast water treatment	TR-MT-160A.2	Quantitative	Not Applicable
	Number and aggregate volume of spills and releases to the environment	TR-MT-160A.3	Quantitative	Not Applicable
Workforce Health & Safety	Lost time incident rate (LTIR)	TR-MT-320A.1	Quantitative	3.3 Healthy and Safe Workplace
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International' s Corruption Perception Index	TR-MT-510A.1	Quantitative	Not Applicable
	Amount of legal and regulatory fines and settlements associated with bribery or corruption	TR-MT-510A.2	Quantitative	None
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	TR-MT-540A.1	Quantitative	3.3 Healthy and Safe Workplace
	Number of Conditions of Class or Recommendations	TR-MT-540A.2	Quantitative	3.3 Healthy and Safe Workplace
	Number of port state control deficiencies and detentions	TR-MT-540A.3	Quantitative	Not Applicable
Activity Metrics	Seagoing personnel	TR-MT-000.A	Quantitative	231
	Nautical miles (NM)	TR-MT-000.B	Quantitative	757,356
	Operating days	TR-MT-000.C	Quantitative	6,588
	Deadweight tonnage(DWT)	TR-MT-000.D	Quantitative	695,931
	Total shipping fleet	TR-MT-000.E	Quantitative	18
	Number of vessel port calls	TR-MT-000.F	Quantitative	264
	Twenty-foot equivalent unit capacity	TR-MT-000.G	Quantitative	The Company operates in bulk shipping and does not operate container vessels; therefore, this is not applicable.

## Appendix 4: United Nations Sustainable Development Goals Alignment Table

Item	Sustainable Development Goal	Corresponding Section	Page Number
Goal 1	End poverty in all its forms everywhere.	Not Applicable	
Goal 2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	3.4 Social Care	68
Goal 3	Ensure healthy lives and promote well-being for all at all ages.	3.2 Friendly Workplace	54
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	3.2 Friendly Workplace	54
Goal 5	Achieve gender equality and empower all women and girls.	3.2 Friendly Workplace	54
Goal 6	Ensure availability and sustainable management of water and sanitation for all.	4.2 Water Resource Management	72
Goal 7	Ensure access to affordable, reliable, sustainable, and modern energy for all.	4.1 Energy Management	70
Goal 8	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	3.1 Labor Relations	51
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	Not Applicable	
Goal 10	Reduce inequality within and among countries.	Not Applicable	
Goal 11	Make cities and human settlements inclusive, safe, resilient, and sustainable.	Not Applicable	
Goal 12	Ensure sustainable consumption and production patterns.	Not Applicable	
Goal 13	Take urgent action to combat climate change and its impacts.	2.2.4 Climate-related Financial Risks	35
Goal 14	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	4. Green Ocean	70
Goal 15	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss.	Not Applicable	
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.	3 Social Well-being	50
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	2.5 Sustainable Supply Chain	47





Integrity, Honesty

Fairness, and Ethics

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Sustainability Committee

