

 First Steamship Group 2024

ESG Report



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Message from the Chairman

I would like to express my gratitude to all stakeholders for their long-standing support and care for First Steamship. Through the publication of our Corporate Sustainability Report, we aim to inform stakeholders about our efforts towards sustainable operations.

First, regarding corporate governance, First Steamship is committed to sustainable growth and integrity in operations. We enhance our senior governance structure and improve the transparency of information disclosed on our official website. This includes providing relevant information on corporate governance practices, such as the performance evaluation results of the Board of Directors, the establishment of a human rights policy, and the provision of ethical reporting channels. In March 2021, we appointed a corporate governance senior manager, who also serves as our Chief Financial Officer. In May 2022, we further appointed a dedicated corporate governance senior manager. Their duties, ongoing training, and key focuses for corporate governance in that year are disclosed on our official website and in the annual report. This transparency ensures that investors can clearly understand the effectiveness of First Steamship's corporate governance, ensuring that our operations not only comply with regulations but are also more effective. Additionally, with an effective auditing system in place, the audit committee maintains good communication with both external auditors and internal audit supervisors. In December 2022, the Board of Directors approved the establishment of a nomination committee, composed entirely of independent directors, which exceeds the current regulatory requirement for a majority of independent directors. We hope that through a robust management mechanism, we can enhance operational performance and achieve our sustainability goals.

Secondly, in terms of investments, we closely monitor the operations of our leasing and real estate business segments and work collaboratively on post-investment management. We also provide necessary support based on the developmental needs of individual listed investments. In response to the nearing conclusion of the global central bank's interest rate hike cycle and future economic outlook, First Steamship timely adjusted its overall equity and debt asset allocation in 2024. By implementing a more robust investment strategy, we aim to balance volatility risks with investment performance, thereby enhancing long-term shareholder returns.

Moreover, the dry bulk shipping market experienced significant volatility in 2024. At the beginning of the year, heightened geopolitical risks, rising fuel costs, and abnormal weather conditions affecting shipping routes caused freight rates to surge, pushing the Baltic Dry Index (BDI) to its annual peak in March. However, entering the second half of the year, sluggish Chinese economic growth weakened demand for iron ore and coal, while global manufacturing weakness further pressured freight rates, causing a rapid decline in market rates. The full-year cumulative drop exceeded 50%, marking the worst performance in nearly a decade.

Market performance across different vessel types also showed clear divergence. Among them, Cape-size vessels were most severely affected by the decline in China's iron ore import demand, with annual freight rates dropping by 67%. Panamax-size vessels experienced a freight rate decline of approximately 47%, primarily due to the impact of the Russia-Ukraine war and the La Niña phenomenon on agricultural exports from the Americas. In contrast, ultra-light and light-weight vessels benefited from the recovery in regional trade demand, experiencing smaller declines and significant capacity growth, making them standout performers in the market.

In addition, the transportation sector is also being impacted by international carbon reduction policies. The International Maritime Organization (IMO) introduced the Carbon Intensity Indicator (CII) requirement in 2023, which rates vessels based on fuel efficiency. Ships falling below the standard must reduce speed or undergo retrofitting, leading to the withdrawal of some older vessels from service and further disrupting supply-demand balance in the market. According to projections, the proportion of non-compliant bulk carriers is expected to continue rising over the coming years, further tightening market capacity.

Looking ahead to 2025, market uncertainties remain high; however, certain positive factors may help drive a recovery in market performance. Second, stricter global carbon reduction regulations will further reduce the operational efficiency of older vessels, with expected growth in new shipping capacity limited to only 1.1%. With supply constrained, freight rates are expected to stabilize and rebound if demand recovers. Shipping companies have also begun actively optimizing their fleets by phasing out older vessels, acquiring newer and younger ships, and adjusting route configurations to respond to market changes.

Furthermore, if the European Central Bank begins lowering interest rates in 2025, it could stimulate a recovery in Europe's manufacturing sector, further boosting demand for dry bulk cargo. At the same time, monetary policy developments from the U.S. Federal Reserve will also influence global economic trends and trade flows. It is

noteworthy that fluctuations in the U.S. dollar exchange rate significantly impact the shipping industry. While a sustained strengthening of the dollar may enhance revenue denominated in dollars, it could simultaneously increase fuel costs and other operating expenses.

In summary, the bulk shipping market remains in a period of relatively high uncertainty in 2025. Geopolitical risks, carbon reduction regulations, macroeconomic policies, and shifts in demand for major cargo types may all impact market development. Nevertheless, if demand for infrastructure development in China rebounds, emerging market demand continues to grow, and the global supply chain gradually recovers, there remains an opportunity for a market rebound. By flexibly adjusting its operating strategies, First Steamship may seize opportunities amid challenges and maintain a competitive edge.

Additionally, for Grand Ocean Retail Group, the global economy faced pressure from slowing growth in 2024 following its recovery after the pandemic. Major economies' monetary policies are gradually entering a rate-cutting cycle, further widening the economic gap between developed and developing countries. Although many countries experienced high inflation in 2023, the situation eased in 2024; however, the Federal Reserve's monetary policy will continue to have a significant impact on the global economy. In China, the economy is currently at a critical juncture of structural adjustment and transformation, with the transition and convergence between traditional growth drivers and emerging ones accelerating. By the fourth quarter, the Consumer Confidence Index stood at 97.7, a year-on-year decrease of 4.6 percent and a month-on-month increase of 2.2 percent. Consumer price confidence, investment confidence, and home purchase confidence showed little change compared to the same period last year; however, economic development confidence, employment confidence, and livelihood confidence declined year-on-year, while investment confidence saw a significant rebound on a month-over-month basis. Given the challenges of such a complex and volatile external environment, Grand Ocean's overall results fell short of expectations, but we still made some achievements and progress during this difficult period.

Wuhan Grand Ocean Center officially opened on September 1, 2024. Located in the heart of Xunlimen, within Wuhan's premier commercial district along Jiefang Avenue, Wuhan Grand Ocean Center integrates shopping, entertainment, dining, leisure, culture, art, and innovative retail to create a new trendsetting landmark for youth social gatherings and recreational experiences. Building upon Grand Ocean Retail Group's "Great to Explore," "Great to Shop," and "Great Value" foundations, we are further

enhancing the experience, freshness, and youth appeal, striving to become Wuhan's new flagship destination in the consumer market.

In addition, in 2024 we undertook renovations and adjustments to certain floors of selected stores, including the basement level of the Hefei store, the first and third floors of the Nan Er Store, the Fuzhou No. 2 project, and the Wuhan No. 2 store. These changes enabled an optimized mix of business formats, brand upgrading, and a strategic focus on attracting dining and experiential retail tenants. During the period, the leased area reached 70,633 square meters, with a leasing occupancy rate of 20.1%, and the vacancy rate further declined, significantly enhancing product strength. Changing consumer habits, increasing preference for experiences, and declining interest in pure retail have led Grand Ocean Retail Group to continue advancing the transformation of department stores into lifestyle shopping centers, with a greater emphasis on experiences. Currently, most stores have largely completed their transformation toward department store mall formats, such as Fuzhou Underground Street, Quanzhou Store, Shiyuan Store, and Nanjing First Store. A smaller number are still in the process of adjustment. This strategic shift enables the company to leverage its strengths, enhancing consumers' shopping experience with a more mall-like atmosphere. Grand Ocean Retail Group is relatively advanced in this aspect compared to industry peers.

In 2024, the parking facilities and in-store micro-malls of Grand Ocean Retail Group's eight stores were integrated, making parking more convenient and enabling members to redeem points for parking privileges, thereby enhancing member convenience and engagement. The Group has integrated its membership system with Meituan's, enabling seamless sharing of member benefits. At the same time, 9 stores introduced Meituan's charging power banks, further enhancing member acquisition and customer convenience.

In 2024, Grand Ocean Retail Group significantly increased the frequency and efficiency of its online events, conducting a large-scale series of live-streaming activities during the period. Live streaming GMV (excluding Meituan) reached RMB 100 million, with self-operated live streaming sales amounting to RMB 80 million. Grand Ocean released 8,643 short videos across platforms including WeChat Video Account, Douyin, and Xiaohongshu, featuring fashion guidance for various occasions to drive trend-setting campaigns. These efforts strengthened platform engagement and customer loyalty, sparking greater interest and attachment among fans toward Grand Ocean Retail Group. This, in turn, enhanced store appeal and boosted consumer spending, with outstanding performance observed at stores including Yichang, Hefei, Wuhan Store 1, Wuhan Store 2, Shiyuan, Grand Ocean Center, and Fuzhou Store. During

this process, many outstanding stores emerged. Grand Ocean Retail Group's online sales increased by 16% year-on-year, with the online segment accounting for 34% of total sales. Grand Ocean Retail Group continues to reduce its U.S. dollar-denominated borrowings overseas, with funds continuously repatriated from China for repayment, resulting in lower offshore financing expenses..

Businesses regard talent as the cornerstone of sustainable business operations. To foster employee cohesion, the Company has continuously applied for government small business workforce enhancement programs since 2020, offering a diverse range of courses for colleagues in various departments to further their professional knowledge through external training. Additionally, to create a joyful and harmonious work atmosphere, we incorporate afternoon tea sessions funded by the employee welfare committee and the Company budget, allowing colleagues to relieve work-related stress while enhancing their physical and mental well-being. Moreover, First Steamship offers a competitive compensation system and a variety of benefits, proactively caring for the health and safety of employees. We aim to establish a friendly and happy workplace that promotes a balanced lifestyle, enabling employees to grow alongside the Company.

Finally, we actively participate in community welfare activities, adhering to the philosophy of giving back to society. Our commitment goes beyond monetary donations; we collaborate with various charitable organizations to host events at our existing department store venues, raising awareness of the many vulnerable groups in society that require care and support.

Looking ahead, First Steamship is committed to pushing itself further, expanding its business while remaining mindful of sustainable development. We will continue to strengthen our efforts in governance integrity, financial health, green energy, employee care, and community welfare, striving for excellence on the path to sustainable business practices.

Chairman of First Steamship Co., Ltd.



About this Report

Welcome to the Corporate Sustainability Report issued by First Steamship Co., Ltd. (hereinafter referred to as "First Steamship"). Through this report, First Steamship aims to communicate to stakeholders our ongoing efforts and achievements in 2023 towards corporate sustainability. We are committed to building integrity in governance, pursuing sound and diversified investments, enhancing competitiveness in shipping and department store sectors, improving employee remuneration and benefit, ensuring the physical and mental health and safety of our employees, and participating in charitable activities. First Steamship also looks forward to receiving valuable suggestions from stakeholders to help us advance towards our goal of corporate sustainability.

- ESG Disclosure

Disclosure Category	Coverage Scope
Period	This report covers the entire year of 2024. Additionally, to ensure the completeness of the disclosed information, if any content pertains to operational activities across different fiscal years, it will be explained separately within the report.
Restatements of Information	There are no instances of information restatement in this report.
Operational Sites	Taiwan: First Steamship and Group Ocean Group Taipei Office Mainland China: Grand Ocean Retail Group's 14 Department Stores
Financial Performance	Consolidated Financial Data
Environmental, Employee, and Public Welfare Performance	Taiwan: First Steamship and Group Ocean Group Taipei Office Mainland China: Grand Ocean Retail Group's 14 Department Stores
Differences between this report and the consolidated financial statements	In addition to disclosing First Steamship, this report only discloses Grand Ocean Retail Group. among the subsidiaries in the consolidated financial statements.

- Basis of Composition

This report is structured in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021. It also adheres to the requirements of the "Guidelines for Listed Companies on Preparing and Reporting Sustainability Reports," the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). An appendix at the end of the document

provides a GRI content index, sustainability accounting metrics, and a climate-related information index for stakeholders' reference.

The financial data in this report has been audited by an accountant in accordance with International Financial Reporting Standards (IFRS) and is consistent with the consolidated data disclosed in the financial statements, presented in thousands of New Taiwan Dollars (NTD). Statistical data on environmental matters, employees, and community contributions have been compiled by the relevant departments of First Steamship and Grand Ocean Retail Group, using internationally recognized metrics for calculation.

After being prepared by First Steamship, this report was reviewed by personnel from various responsible departments before being submitted to the ESG Sustainability Promotion Organization for content review to ensure comprehensive coverage of identified material topics. Please note that this report has not been externally assured or verified.

● **Publication Frequency**

First Steamship publishes a sustainability report annually. To enhance the transparency and accessibility of the information disclosed in the report, the complete electronic version of the report is available for download on the First Steamship official website.

Previous Release Date: June 2024

Current Release Date: June 2025

Next Release Date: August 2026

[Previous Sustainability Report](#)



● **Feedback**

If you have any comments or suggestions regarding the content of this report, please feel free to contact us.

General Manager's Office of First Steamship Co., Ltd.

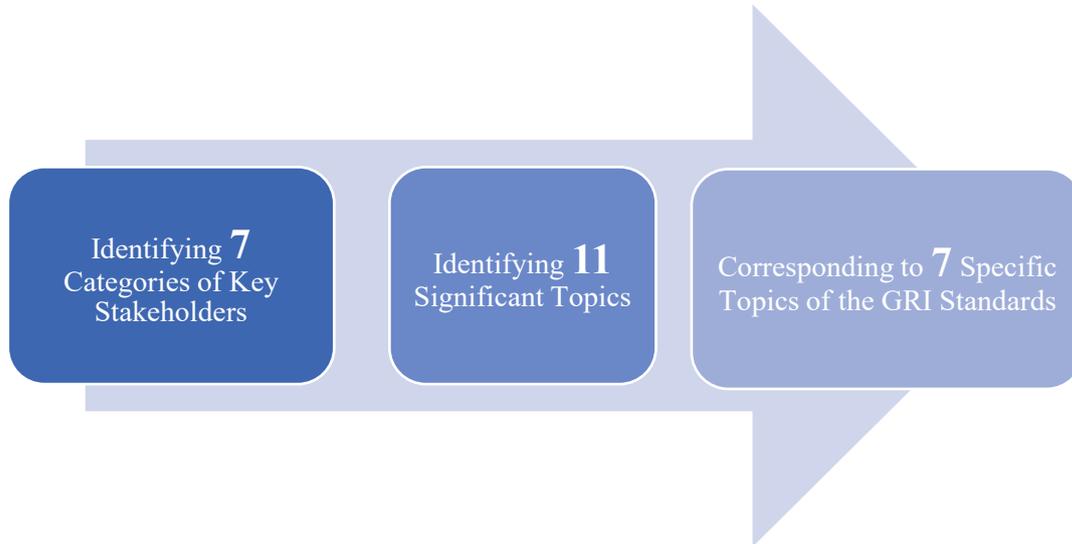
Address: 14F., No. 237, Sec. 2, Fuxing S. Rd., Taipei City

Tel: 02-2706-9911 #686

Email: csr@firsteam.com.tw

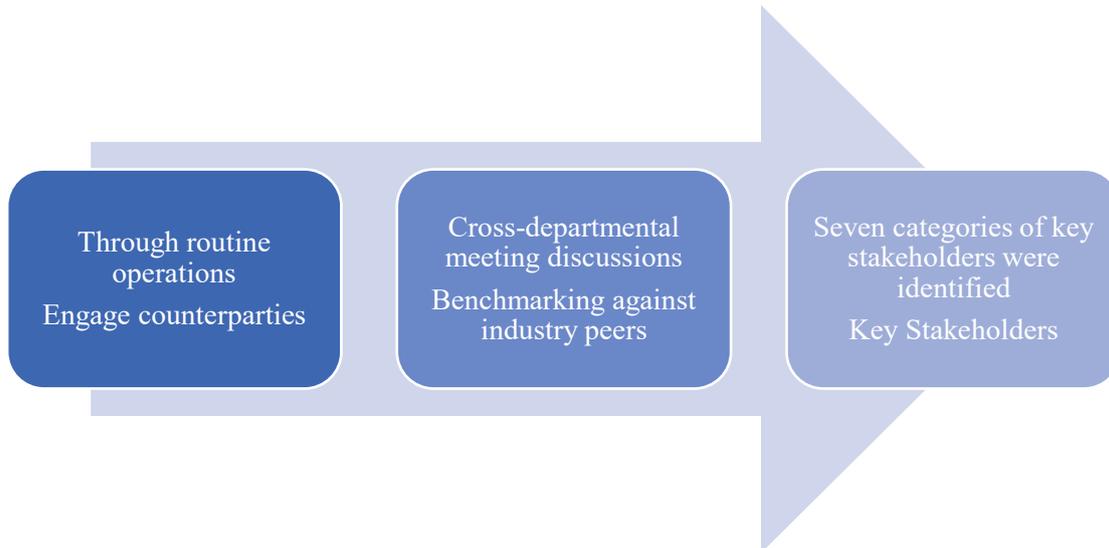
Stakeholder Engagement

Process to Identify the Material Topics



- **Identification of Key Stakeholders**

Process to Identify the Key Stakeholders



Stakeholders are groups that influence or are influenced by First Steamship. The identification of key stakeholders for 2024 continues to follow the methods established in previous years. This process involves colleagues from various internal departments of First Steamship conducting a preliminary screening based on the types of stakeholders they regularly interact with. Subsequently, stakeholders are categorized into seven major groups based on their interaction frequency, reliance, impact, and significance to First Steamship, while also considering industry peers. The seven key stakeholders include government agencies, investors, customers, employees, supply partners, counter lease vendors, and financial institutions.



- **Stakeholder Communication**

After identifying seven key stakeholder groups, First Steamship recognizes that different stakeholders have varying concerns. We aim to gather diverse opinions from our stakeholders through an open approach, enhancing interaction among them during our operations.

Therefore, First Steamship has compiled a list of ESG focus issues based on suggestions raised by stakeholders through daily communication channels, referencing the specific topics outlined in the 2021 version of the GRI Sustainability Reporting Standards and the ESG reports of industry peers. This list has been incorporated into the sustainability questionnaire options in our report. Additionally, First Steamship reports on stakeholder communication to the board at least once a year. In December 2024, we presented the results of our stakeholder communications from 2024 to the board, ensuring that our highest governance body is informed of the key stakeholders' demands and expectations. This allows the board to provide appropriate feedback and suggestions to the management team.

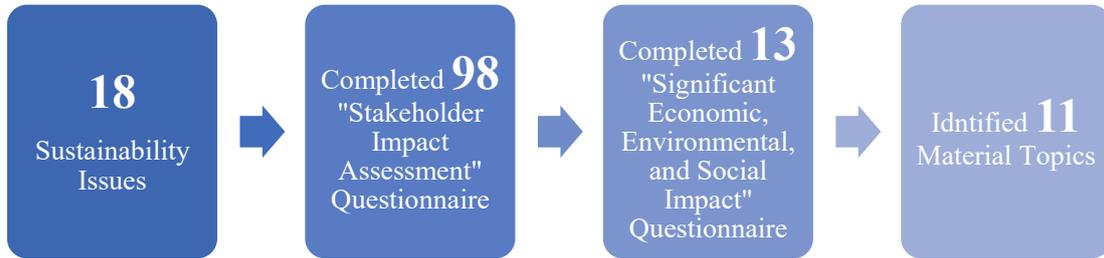
Key Stakeholders	Significance to First Steamship	Issues of Concern	Communication Channels/ Communication Frequency	Disclosure Chapter
Government Authorities	Government authorities establish regulations, and First Steamship operates in compliance with these laws. Government authorities supervise and audit First Steamship's adherence to various regulatory practices.	Corporate Governance Ethics Integrity Compliance with Laws and Regulations Voyage Safety Occupational Safety Customer Privacy Protection Waste Management Wastewater Management	<ul style="list-style-type: none"> ● Contact Window: Spokesperson, Ms. Lin (ballylin@firsteam.com.tw) ● Regulatory Authority Policy Promotion / Non-Periodically ● Meetin/ Non-Periodically ● Website / Non-Periodically ● Telephone/ Non-Periodically ● Email/ Non-Periodically ● Audit/ Non-Periodically 	1.2 Corporate Governance 1.3 Ethics Integrity 1.5 Compliance with Laws and Regulations 2.1.1 Voyage Safety Assessment 2.1.2 Comfortable and Safe Department Stores 2.2.3 Customers Information Protection 3.2 Occupational Health and Safety 4.1 Climate-Related Financial Disclosure 4.2 GHG Emissions
Investors	Investors are stakeholders in First Steamship, and the Company is committed to safeguarding their rights. First Steamship will treat all investors fairly and ensure that they have the right to be fully informed, participate in, and make decisions regarding significant matters related to the Company.	Operational Performance Corporate Governance Ethics Integrity Risk Management Compliance with Laws and Regulations Voyage Safety	<ul style="list-style-type: none"> ● Contact Window: Spokesperson, Ms. Lin (ballylin@firsteam.com.tw) ● Shareholder Meeting/ Once a year ● TWSE MOPS/ Non-Periodically ● Company Website/ Investor Relations/ Non-Periodically 	1.2 Corporate Governance 1.3 Ethics Integrity 1.4 Risk Management 1.5 Compliance with Laws and Regulations 1.6 Economic Performance 2.1.1 Voyage Safety Assessment 2.1.2 Comfortable and Safe Department Stores 4.1 Climate-Related Financial Disclosure

Customers	First Steamship provides customers with the most attentive service quality and the safest products, dedicated to building a brand image centered on health and safety to earn customer trust.	Operational Performance Voyage Safety Customer Relationship Management Customer Privacy Protection Product Labeling and Marketing	<ul style="list-style-type: none"> ● Contact Window for Marine Business: Mr. Chuang, Operation Officer of Marine Transportation Business (rogerchuang@firststeam.com.tw) ● Contact Window for Department Store Business: Mr. Hsu, Representative of Grand Ocean Retail Group (jyxu27@gmail.com) ● Public Account/ Non-Periodically ● Weibo and WeChat/ Non-Periodically ● VIP Service Area / Non-Periodically ● Customer Service Center / Non-Periodically ● Floor Service Desk / Non-Periodically ● Online / Non-Periodically ● Telephone/ Non-Periodically ● In-Person Meeting / Non-Periodically 	1.4 Risk Management 1.6 Economic Performance 1.7 Cybersecurity 2.1.1 Voyage Safety Assessment 2.1.2 Comfortable and Safe Department Stores 2.2.1 Open Communication Channels 2.2.3 Customers Information Protection 4.1 Climate-Related Financial Disclosure
Employees	Employees are an indispensable force in the operations of First Steamship. To enhance employees' sense of belonging to the Company, First Steamship is committed to creating a workplace environment that supports both physical and mental well-being, as well as opportunities for diverse development.	Operational Performance Compliance with Laws and Regulations Remuneration and Benefit Employment Communication Occupational Safety Talent Cultivation and Equal Employment	<ul style="list-style-type: none"> ● Contact Window: Mr. Lin, Deputy General Manager of General Administration Division (fss@firststeam.com.tw) ● Education and Training/ Non-Periodically ● Seminars / Non-Periodically ● Bulletin Board / Non-Periodically ● Email/ Non-Periodically ● Slogans / Non-Periodically ● Monthly Newsletter / Once a month ● Labor-Management Meetings / Quarterly ● Employee Welfare Committee / Quarterly 	1.3 Ethics Integrity 1.5 Compliance with Laws and Regulations 1.6 Economic Performance 3.1.2 Remuneration and Benefit 3.1.3 Retirement Plan 3.1.4 Employee Activities 3.1.5 Talent Cultivation 3.1.6 Employee Care 3.2 Occupational Health and Safety
Suppliers	Our products and services rely on the stable supply of raw materials and components from numerous suppliers. We leverage our corporate influence to require that suppliers avoid any activities	Operational Performance Risk management Supply Chain Management Occupational Safety	<ul style="list-style-type: none"> ● Contact Window: Mr. Zhai, Chief Engineer of the Engineering Department (hlzhai@firststeam.com.tw) ● In-Person Meeting/ Non-Periodically ● Telephone/ Non-Periodically ● Email/ Non-Periodically ● Written Correspondence/ Non-Periodically 	1.4 Risk Management 1.6 Economic Performance 2.1 Health and Safety Responsibilities 3.2 Occupational Health and Safety

	that cause environmental pollution or violate human rights.		<ul style="list-style-type: none"> ● Supplier Audit / Non-Periodically ● WeChat/ Non-Periodically 	
Counter Lease Vendors	<p>Counter lease vendors adhere to Grand Ocean's regulations on food and beverage safety, with Grand Ocean supervising and auditing to ensure that the products provided to consumers are safe and secure.</p> <p>At the same time, Grand Ocean values good interactions with counter lease vendors, coordinating the relationship between vendors and consumers to effectively safeguard the rights and responsibilities of all three parties.</p>	<p>Operational Performance</p> <p>Compliance with Laws and Regulations</p> <p>Supply Chain Management</p> <p>Occupational Safety</p> <p>Product Labeling and Marketing</p>	<ul style="list-style-type: none"> ● Contact Window: Mr. Hsu, Representative of Grand Ocean Retail Group (jyxu27@gmail.com) ● Regular Vendor Meetings / Once a year ● Irregular Vendor Communication Meetings / Non-Periodically ● In-Person Meeting/ Non-Periodically ● Telephone/ Non-Periodically ● Email/ Non-Periodically 	<p>1.5 Compliance with Laws and Regulations</p> <p>1.6 Economic Performance</p> <p>2.1.2 Comfortable and Safe Department Stores</p> <p>3.2 Occupational Health and Safety</p>
Financial Institution	The funds provided by the bank enable First Steamship to continuously update its vessel equipment and invest in other areas, creating additional sources of revenue.	<p>Corporate Governance</p> <p>Ethics Integrity</p> <p>Compliance with Laws and Regulations</p> <p>Risk management</p> <p>Operational Performance</p>	<ul style="list-style-type: none"> ● Contact Window: Spokesperson, Ms. Lin (ballylin@firsteam.com.tw) ● TWSE MOPS/ Non-Periodically ● Website/ Non-Periodically ● Telephone/ Non-Periodically ● Email/ Non-Periodically ● Written Correspondence/ Non-Periodically 	<p>1.2 Corporate Governance</p> <p>1.3 Ethics Integrity</p> <p>1.4 Risk Management</p> <p>1.5 Compliance with Laws and Regulations</p> <p>1.6 Economic Performance</p> <p>4.1 Climate-Related Financial Disclosure</p>

● **Identification of Significant Topics and Boundaries**

Process to Identify the Material Topics



This report follows the GRI Sustainability Reporting Standards 2021 edition to conduct a materiality analysis of key stakeholder concerns. First, First Steamship collected preliminary information on the topics of interest to its key stakeholders based on actual interactions with them. These topics were then consolidated into 18 sustainability issues according to the GRI Sustainability Reporting Standards 2021 edition.

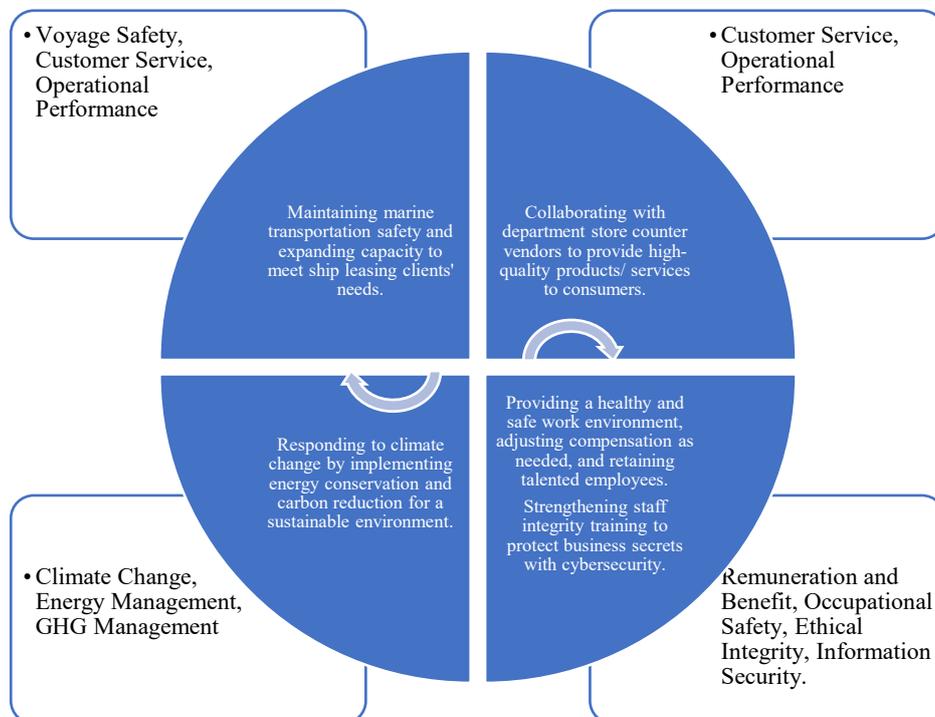
Aspect	Sustainability Issues
Environmental Aspect	Energy Management, GHG Management, Water Stewardship, Waste Management, Climate Changes, Sustainability Supply Chain
Social Aspect	Voyage Safety, Consumer Health and Safety, Product Labeling and Marketing, Remuneration and Benefit, Talent Cultivation, Occupational Safety, Human Rights Protection, Participation in Public Welfare
Economic Aspect	Operational Performance, Ethics Integrity, Cybersecurity, Customer Service, Customer Privacy

Note: Corporate governance, risk management, and regulatory compliance are mandatory disclosure areas under the GRI Sustainability Reporting Standards 2021 (GRI Standards: 2021). Although these topics were not listed in the sustainability issues in 2023, this report will still include relevant content.

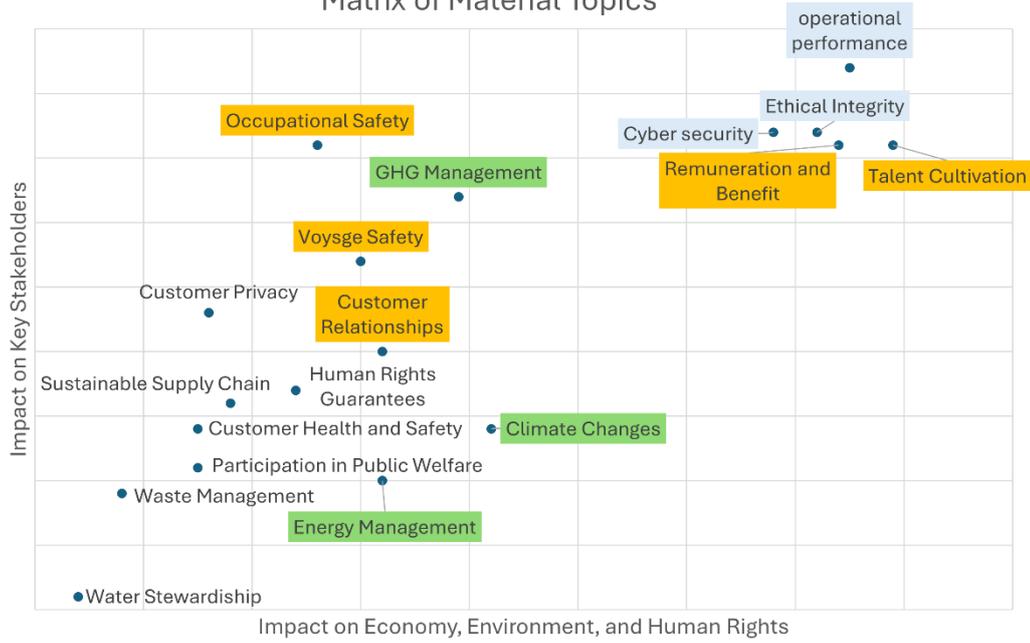
First Steamship conducted an online survey, inviting key stakeholders to complete a stakeholder impact assessment questionnaire. A total of 98 responses were collected, including 39 from investors, 41 from employees, 4 from customers, 9 from supply partners and department store counter lessors, 4 from financial institutions, and 1 from other categories. The results were used to assess the impact of various sustainability issues on key stakeholders. Additionally, 13 managers from First Steamship evaluated each issue based on its significant impact on the economy, environment, and society. The scores from both stakeholders and managers were combined to create a materiality matrix, highlighting the top three ranked topics in each dimension (economic, environmental, and social). For 2024, the ten priority topics identified for disclosure by

First Steamship are, in order: operational performance, voyage safety, ethical integrity, cybersecurity, remuneration and benefit, occupational safety, climate change, customer service, energy management, and GHG management. This report will detail the management approach and performance indicators for each of these material topics.

Based on these ten material topics, First Steamship has identified key ESG focus areas, which include: maintaining marine transportation safety and expanding capacity to meet the needs of ship leasing clients; collaborating with department store counter vendors to provide high-quality products/ services to consumers; ensuring a healthy and safe workplace, adjusting compensation as needed, and retaining talented employees. The Company will also strengthen staff integrity training to protect business secrets with robust cybersecurity measures. In response to climate change, First Steamship is committed to energy conservation and carbon reduction to contribute to a sustainable environment. Moreover, compared to the material topics identified over the past two years, nine out of the ten significant topics from 2023 remain consistent, with only slight adjustments in their rankings. To address stakeholders' growing concerns about climate change, "climate change" has been added as a new material topic. Lastly, to ensure comprehensive content in this report, we have also disclosed the Company's achievements in community engagement activities.

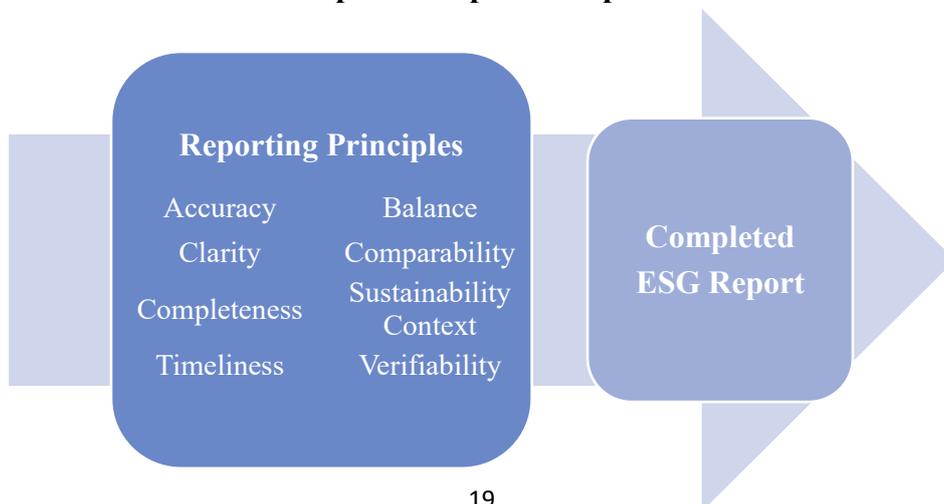


Matrix of Material Topics



Rank	Material Topics in 2023	Material Topics in 2024	Comparability
1	Operational Performance	Operational Performance	-
2	Voyage Safety	Talent Cultivation	Addition
3	Ethics Integrity	Remuneration and Benefit	↑2
4	Cybersecurity	Ethics Integrity	↓1
5	Remuneration and Benefit	Cybersecurity	↓1
6	Occupational Safety	GHG Management	↑4
7	Climate Changes	Occupational Safety	↓1
8	Customer Service	Voyage Safety	↓6
9	Energy Management	Climate Changes	↓2
10	GHG Management	Customer Relationship	↓2
11		Energy Management	↓2

Principles of Report Composition



First Steamship follows the GRI reporting principles to prepare its ESG report, adhering to the principle of sustainability context by transparently disclosing how the Company responds to the actual economic, environmental, and social conditions of its local and surrounding areas to improve or mitigate negative impacts. In accordance with the principle of completeness, the information disclosed in the report should sufficiently reflect the Company's significant impacts on the economy, environment, and society. Following the principle of accuracy, the information in the report should be sufficiently precise and detailed, allowing stakeholders to assess the Company's ESG performance. Based on the principle of balance, the information should fairly reflect both positive and negative performances, enabling stakeholders to make a reasonable assessment of First Steamship's ESG performance. According to the principle of clarity, the presentation of information in the report should be easily understandable and accessible to stakeholders. In line with the principle of comparability, the report discloses ESG information in accordance with internationally accepted standards, allowing stakeholders to analyze the Company's long-term performance. Complying with the principle of timeliness, the Company regularly issues ESG reports to provide timely important information for stakeholders to make informed decisions. Lastly, under the principle of verifiability, the Company compiles the ESG report in a manner that can be reviewed by both internal and external parties, ensuring the accuracy of the information disclosed.

Rank of Material Topics	● Importance to First Steamship ● Impact Aspect	Internal Boundaries		External Boundaries		Corresponding GRI Standards	Chapter of Reporting Disclosure
		First Steamship	Grand Ocean	Suppliers	Customers		
Operational Performance	<ul style="list-style-type: none"> ● Pursuing profit is the ongoing direction for First Steamship. The Company's revenue growth not only rewards shareholders and employees with profits but also enhances their loyalty to the company, creating a win-win situation that fosters shared prosperity and moves towards sustainable business operations. ● Positive Impact 	●	●	●	●	● 201Economic Performance: 2016 (201-1, 201-3)	1.6 3.1.3
Talent Cultivation	<ul style="list-style-type: none"> ● High-quality human resources are essential to the company's survival, and we cultivate professional talent through diverse internal and external channels. ● Negative Impact 	●	●			<ul style="list-style-type: none"> ● 404 Training and Education : 2016 (404-1~404-3) 	3.1.5
Remuneration and Benefit	<ul style="list-style-type: none"> ● Employees are an indispensable condition for the continuous growth of First Steamship. The Company is committed to creating a harmonious labor environment, providing compliant labor conditions, remuneration and benefit, as well as promotion pathways to enhance employee loyalty and ensure the right fit for their roles. ● Positive Impact 	●	●			● 401Employment: 2016 (401-1, 401-2)	3.1.1 3.1.2
Ethics Integrity	<ul style="list-style-type: none"> ● Sustainable business operations prioritize the ethical integrity of internal personnel. First Steamship integrates integrity into 	●	●	●	●	● First Steamship's Custom Topics (Integrity-1)	1.3

Rank of Material Topics	● Importance to First Steamship ● Impact Aspect	Internal Boundaries		External Boundaries		Corresponding GRI Standards	Chapter of Reporting Disclosure
		First Steamship	Grand Ocean	Suppliers	Customers		
	<ul style="list-style-type: none"> its corporate culture, enabling employees to engage in business with honesty at the core. ● Positive Impact 						
Cybersecurity	<ul style="list-style-type: none"> ● First Steamship relies on information security to protect its business secrets with clients. Therefore, the company has implemented cybersecurity mechanisms to prevent information leakage. ● Negative Impact 	●	●		●	● First Steamship's Custom Theme (Cybersecurity-1)	1.7
GHG Management	<ul style="list-style-type: none"> ● Ship operations emit greenhouse gases, and in light of the severe impacts of the greenhouse effect globally, First Steamship recognizes the need to take action in reducing GHG emissions to fulfill its corporate responsibility. ● Negative Impact 	●	●			● 305Emissions: 2016 (305-1, 305-2, 305-4)	4.2
Occupational Safety	<ul style="list-style-type: none"> ● Establishing a safe and healthy workplace environment, allowing employees to work with peace of mind, is the company's unwavering commitment to its employees. ● Positive Impact 	●	●			● 403Occupational Health and Safety: 2018 (403-1~403-10)	3.2
Voyage Safety	<ul style="list-style-type: none"> ● To ensure the safe transportation of customer goods, First Steamship has established safety management policies and built a robust safety culture. The safety of customer cargo and employees is 	●			●	● 416Customer Health and Safety: 2016 (416-1~416-2)	2.1.1 2.1.2

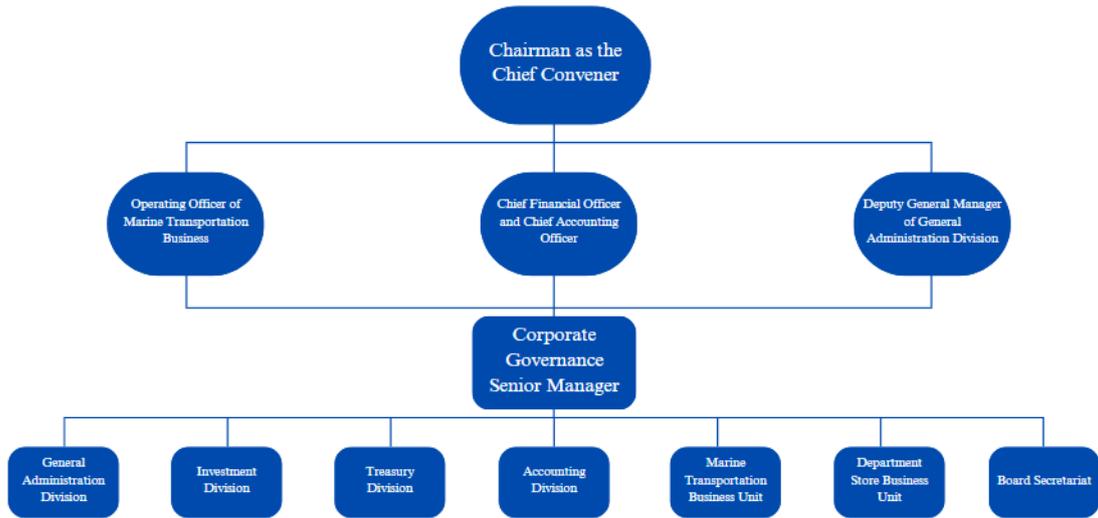
Rank of Material Topics	<ul style="list-style-type: none"> ● Importance to First Steamship ● Impact Aspect 	Internal Boundaries		External Boundaries		Corresponding GRI Standards	Chapter of Reporting Disclosure
		First Steamship	Grand Ocean	Suppliers	Customers		
	<ul style="list-style-type: none"> ● always the top priority for First Steamship. ● Positive Impact 						
Climate Changes	<ul style="list-style-type: none"> ● In recent years, the impacts of climate change have intensified, leading to increased financial costs and potentially threatening the company's survival. The Company must prepare early for these challenges. ● Negative Impact 	●	●		●	<ul style="list-style-type: none"> ● 201Economic Performance: 2016 (201-2) 	4.1
Customer Relationship	<ul style="list-style-type: none"> ● The Company provides friendly and considerate service quality, listens to customer feedback, and continuously improves quality management with customer needs as the starting point, aiming for maximum customer satisfaction. ● Positive Impact 	●	●		●	<ul style="list-style-type: none"> ● 418Customer Privacy: 2016 (418-1) 	2.2.3
Energy Management	<ul style="list-style-type: none"> ● Faced with Taiwan's recent energy supply challenges, First Steamship must take action to effectively reduce unnecessary energy consumption. ● Negative Impact 	●	●			<ul style="list-style-type: none"> ● 302Energy: 2016 (302-1, 302-3, 302-4) 	4.2

● **Promotion of Sustainable Development**

First Steamship has historically addressed sustainability issues raised by key stakeholders through discussions among department heads and senior management, leading to decision-making and subsequent actions. To ensure all employees understand First Steamship's commitment to corporate sustainability, a sustainability promotion organization (hereafter referred to as the ESG Reporting Team) was established under the leadership of the Chairman. The Chairman serves as the Chief Convener, with different sub-teams organized according to various business units to carry out ESG initiatives. Following the Board's approval of the Corporate Social Responsibility Practical Code (later renamed the Sustainable Development Practical Code), implementation commenced.

In recent years, as the maturity of ESG initiatives has developed, First Steamship has also planned to merge meetings with cross-departmental supervisors. Through the contributions of the promotion organization's team members, the various issues raised by stakeholders regarding First Steamship will be centralized for discussion in these meetings. This collaborative approach aims to create more comprehensive decision-making and response strategies. The ESG meetings will outline First Steamship's ESG goals, while also ensuring that the organization reports quarterly to the Board on the current year's ESG outcomes. This reporting includes updates on ESG objectives and risk management related to significant themes. The Board will receive these reports annually, evaluating the feasibility of the policies and objectives set for significant themes and reviewing the achievement of ESG goals, thus enabling the Board to actively participate in the company's ESG practices. The content includes material topics identified through online surveys, subsequent risk mitigation measures, objectives and implementation status for these material topics; additionally, the ESG report will be submitted to the Board of Directors for approval in the second half of the year. The Board of Directors reviews the ESG Committee's report annually. The ESG Committee proposes sustainable development strategies to the Board, which evaluates the feasibility of these strategies, tracks their implementation progress, and provides recommendations when necessary to guide management in making adjustments, ensuring the Board's substantive involvement in the company's ESG practices. The 2024 ESG execution results were reported to the Board of Directors in December of that year. First Steamship has also planned to submit its Sustainability Report to the Board for approval starting in 2025, before filing it with the ESG digital platform.

First Steamship Group ESG Reporting Team

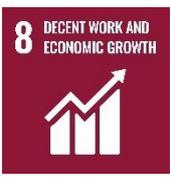


Sustainable Development Practical Code



● **Response to Goals of Sustainable Development**

First Steamship integrates the United Nations' Sustainable Development Goals (SDGs) into its operational policies. The Company is shifting from a traditional focus solely on revenue performance to a more balanced approach that considers employee remuneration and benefit, workplace safety, and the reduction of emissions, air pollution, wastewater, and waste in the shipping and retail industries. Specifically, First Steamship is committed to eliminating various forms of discrimination in the workplace and promoting gender equality. The Company aims to provide employees with stable, long-term employment while sharing profits with them in a timely manner to help improve their economic standard of living. To mitigate excessive energy consumption in marine transportation, First Steamship implements energy efficiency management programs. Furthermore, to effectively reduce marine waste and wastewater emissions, the company records and analyzes the types and quantities of waste generated daily, managing it from the source to implement waste and pollution reduction initiatives.

SDGs	Specific Goals	First Steamship Aims to
	<p>1.4 Ensure that everyone has fair rights and access to economic resources.</p>	<ul style="list-style-type: none"> ● Achieve an average annual salary for non-management employees that exceeds the industry average, with the median salary of non-management employees ranking among the top in the industry. ● Invest annually in community care activities through donations or collaborations with local organizations to organize promotional events, charity sales, and material donation drives, helping underprivileged groups in need.
	<p>3.d Strengthen employees' ability to manage health risks</p>	<ul style="list-style-type: none"> ● By conducting regular health checks as mandated by law to identify potential hidden health issues and provide follow-up treatment.
	<p>4.2 Ensure that out-of-school children receive high-quality education and care. 4.3 Guarantee that all employees have access to vocational education opportunities.</p>	<ul style="list-style-type: none"> ● Provide employees with channels to apply for parental leave, encouraging them to exercise their rights. ● Offer robust career planning, with dedicated units managing the quality of education and training, ensuring employees receive structured education to enhance their skills.
	<p>5.1 Eliminate all forms of discrimination against women. 5.2 Eradicate all forms of violence against women.</p>	<ul style="list-style-type: none"> ● Establish reporting channels for workplace violence and sexual harassment to ensure the protection of female employees. ● Implement human rights policies emphasizing the prohibition of discrimination or differential treatment.
	<p>8.5 Ensure all employees have stable jobs and achieve equal pay for equal work, regardless of gender.</p>	<ul style="list-style-type: none"> ● Base employee performance evaluations on tenure, work attitude, and professional competence rather than gender. ● Reinforce human rights policies to emphasize gender equality.
	<p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, enhance energy efficiency, and greatly adopt clean and environmentally friendly technologies and industrial processes; all countries should take action according to their respective capabilities.</p>	<ul style="list-style-type: none"> ● To reduce environmental impact and achieve sustainable environmental outcomes, while expanding the scope of fund utilization, First Steamship has integrated two core ESG attributes—green initiatives and social benefits—and participated in a U.S. dollar 1 million green and sustainable term deposit program administered by Taiwan Bank.
	<p>10.2 Promote social and economic inclusion, regardless of age, gender, disability, nationality, religion, or other status. 10.3 Ensure equal opportunities and reduce inequality.</p>	<ul style="list-style-type: none"> ● Treat all employees equally, regardless of age, gender, or nationality, fostering a friendly and equitable workplace. ● Enforce human rights policies that emphasize equal employment opportunities.
	<p>14.1 Prevent and significantly reduce various types of marine pollution, including marine waste.</p>	<ul style="list-style-type: none"> ● Comply with environmental regulations of countries along shipping routes, equipping vessels with waste disposal facilities to minimize business waste and reduce pollution to the marine environment.

I. Governance and Integrity

1.1 About First Steamship

First Steamship was listed on the Taiwan Stock Exchange in 1965, becoming the first publicly traded shipping company in Taiwan. The Company operates in the international dry bulk cargo transportation sector, covering a network of safe ports worldwide. It offers irregular bulk cargo shipping and vessel leasing services, primarily transporting bulk commodities such as grains, mineral sands, coal, fertilizers, and other raw materials. As of the end of 2024 the group operates a total of 11 vessels, including 5 Kamsarmax ships, 2 Handysize ships, and 4 Supramax ships. These vessels operate irregularly in navigable ports around the world through time charters, voyage charters, or joint leases, providing stable, safe, and economical transportation services. Throughout the year, the marine transportation business conducted 80 voyages, contributing significantly to the company's overall revenue through vessel leasing income. The mission of the marine transportation business is to promptly meet customer needs while delivering exceptional performance. By ensuring efficient vessel operations, clients can make sales decisions with confidence, free from concerns about transportation risks.

Given that the shipping industry is highly susceptible to global economic conditions, the company actively seeks potential investment opportunities to secure stable profit sources. The explosive growth of the Chinese retail market over the past decade has piqued First Steamship's interest in investment, leading to a formal investment in Grand Ocean Retail Group in May 2006. Grand Ocean Retail Group operates department retail businesses in mainland China, primarily located in second- and third-tier cities. Currently, it runs numerous large department stores and shopping centers in the East, Central, and South China regions, having established a solid presence in the local retail market. Its customer base primarily consists of general consumers, and the main revenue sources are divided into three categories: income from joint-operated counters, income from directly-operated counters, as well as rental income, other revenues, and management consulting fees.

Basic Information

Industry	Listed Trade Department Store The SASB industry classification for this sector falls under Consumer Products/ Multi-line, Specialty Retailers, and Distributors.
Headquarters Location	14F., No. 237, Sec. 2, Fuxing S. Rd., Taipei City
Capital	NT\$8,247,761 thousand
Annual Consolidated Revenue in 202	NT\$4,849,992 thousand
Number of Employees	First Steamship: 48 Grand Ocean Retail Group: 906 (4 based in Taipei Office, 902 based in Mainland China)
Main Service	Engaged in domestic and international shipping and related ancillary businesses, wholesale of vessels and their parts, equipment and passenger vehicle rental services, business management consulting, department retail, as well as domestic and foreign investment operations and the development, leasing, and sale of residential and commercial buildings.
Amount of Operational Sites	Taiwan: 1 Mainland China: 14 Department Stores
Revenue Proportion	Marine Transportation: 32% Department Store: 33% Investment: 1%

Note: Data is as of the end of 2024

First Steamship Profile



Grand Ocean Retail Group Profile



Connection of Upstream, Midstream and Downstream Marine Transportation



International bulk marine shipping is a transportation service industry, mainly for bulk cargo delivery. Unlike the general manufacturing industry, there is no obvious relationship between upstream, midstream and downstream as there is no production process or supply of major raw materials similar to that of general products.

Connection of Upstream, Midstream and Downstream Department Store



The primary service of the department store business is to lease commercial properties and establish department store spaces that provide a transaction environment for brand operators and end consumers. We collaborate with real estate and property management companies to complete the establishment of department store spaces and then introduce retail spaces for upstream brand manufacturers or their distributors to sell products to end consumers.

1.1.1 Participation in External Organizations

First Steamship does not participate in external trade associations for its shipping business in Taiwan. However, in mainland China, Grand Ocean participates in relevant associations under the name of the Grand Ocean Retail Group, holding membership status. By engaging with external organizations, the company can stay informed about the latest industry developments and make timely adjustments.

External Organizations	Participation
Nanjing City Federation of Commerce	Member
Nanjing Department Store Commerce Association	Member
Hengyang City Yanfu District Federation of Industry and Commerce	Member
Hengyang City Yanfu District General Trade Union	Member
Hengyang City Yanfu District New Class Friendship Association	Member

1.1.2 Business Philosophy

First Steamship Marine Business

Business Policy

- Implement electronic ship management, improve maintenance efficiency, reduce operating costs, and improve operating efficiency.
- Strengthen crew and shore management's professional skills training, improve ship safety management, and reduce operational risks.
- Closely observe the trend of the marine transportation market, carefully evaluate the lease and purchase of vessels at the appropriate time, reduce the average age of the fleet, and increase the fleet's operating utilization.

Future Development Strategy

- Expand bulk carrier businesses for both self-owned and chartered vessels.
- Participate in domestic and international cargo tender business and steadily increase the cargo volume transported by vessels.
- Take on period charters to lock in profitable rents with long-term contracts or join well-known syndicated teams to obtain more cargo business and higher freight rates through operational advantages.

Grand Ocean Retail Group's Department Store Business

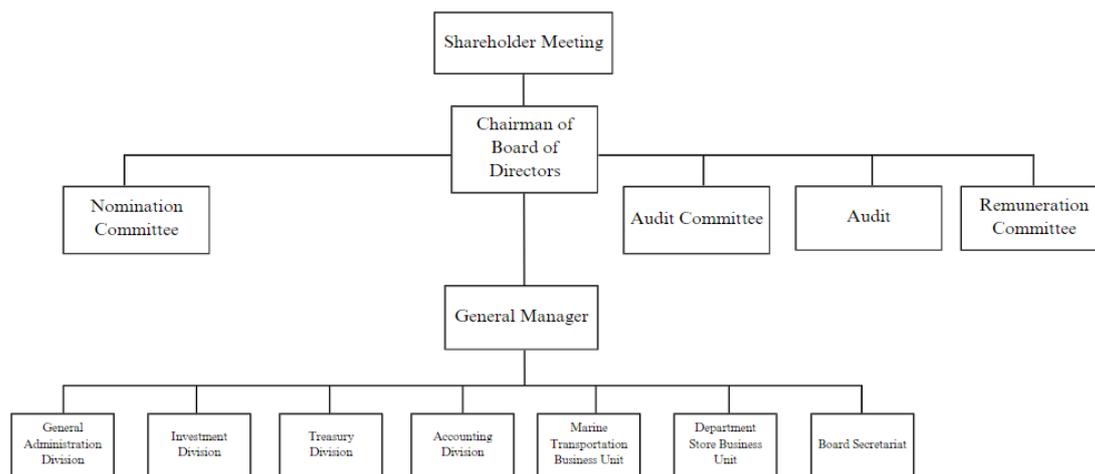
Business Policy

- Amidst rapid market shifts and an evolving business landscape, Grand Oceas Group introduced an updated operational philosophy in 2024: "Product strength, pricing power, and heartfelt retail ensure store appeal; Technology, Omnichannel, Intelligence, Boosting Customer Spending Power." By deepening the use of online platforms and integrating big data analytics, the Group will accelerate brand rotation, optimize business format combinations, fully integrate online and physical stores, and innovate models and sales methods. While enhancing informatization and standardization, it is committed to creating a retail environment that meets consumer needs and resonates with millennial shoppers.
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Future Development Strategy

- Deepen existing markets to maintain consumer loyalty towards Grand Ocean Retail Group.
- Adjust brand structure and enhance brand positioning to provide high-quality hardware and software services.
- Continuously expand into new markets to increase market share and brand influence.
- Strengthen alliances with influencer brands by enhancing brand and product diversity, and increase supporting services in the food and beverage sector.
- Select and launch products that promote strong consumer interaction, while deepening collaboration with e-commerce platforms.
- Leverage Grand Ocean's resources and platforms to explore new models for management output and industry investment, creating new profit growth points.
- Actively cultivate professional talent to sustain the group's competitiveness.

1.2 Corporate Governance



The shareholders' meeting is the highest decision-making body of First Steamship, which regularly receives reports from the Board of Directors. The Board of Directors serves as the highest governance body of the company, with all directors diligently fulfilling their duty of care as good managers. They develop First Steamship's operational policies, review financial performance, and ensure compliance with various regulations. To enhance supervisory functions and strengthen management capabilities, the Board has established functional committees, including the Audit Committee and the Compensation Committee. These functional committees, except for those required by law to operate independently, report to the Board and submit their proposals for Board resolution. An independent Internal Audit Office has also been established under the Board to monitor the operation of internal control systems and assess the execution of tasks by departmental personnel. Additionally, in recent years, First Steamship has appointed a corporate

governance senior manager and established a Nomination Committee to assist the Board in enhancing corporate governance practices. The implementation of corporate governance in 2023 has been reported to the Board in December 2023.



[Code of Practice on Corporate Governance](#)



1.2.1 Board of Directors

[Board of Directors Overview](#)



[Key Resolutions of the Board of Directors Over the Years](#)



[Board Meeting Rules and Regulations](#)



[Board Performance Evaluation Guidelines](#)



[Annual Board Performance Evaluation](#)



[Results of the Corporate Governance Senior Manager's Implementation](#)



Regular board engagement on ESG outcomes

- Report annually to the Board of Directors on the implementation of sustainability initiatives for the current (or previous) fiscal year.
- Report annually to the Board of Directors on the results of corporate governance and integrity management for the current year.
- Annually report to the Board of Directors on the implementation of risk management and stakeholder engagement for the current fiscal year.
- Beginning in 2025, submit the ESG report to the Board of Directors for approval prior to its public release. Annually report to the Board of Directors on the outcomes of corporate governance and integrity initiatives for the current fiscal year.

The Board of Directors is responsible for guiding the company's strategy. Directors faithfully execute their duties and fulfill their obligations with due diligence, exercising their powers with a prudent approach. For the execution of the company's operations and the arrangements of various governance systems, matters that are not required by law or the articles of association to be decided by the shareholders' meeting shall be resolved by the Board of Directors.

The articles of association of First Steamship specify a candidate nomination system for the election of directors, adhering to principles of diversity among members and merit-based selection. Through regular elections, outstanding individuals who meet the company's operational needs are chosen. In addition to possessing industry expertise, directors have rich practical experience and are well-versed in the dynamics of industry development. Currently, there are seven directors, including four independent directors, making the proportion of independent directors 57.14%. The Board meets at least once per quarter, holding a total of 15 meetings in 2024. Among the directors, there are three foreign members (one from Hong Kong and two from Australia) and four local members, all of whom are male. The age distribution of the directors shows that three directors are aged between 30 and 50, accounting for 42.86%, while four directors are over 50, accounting for 57.14%. Furthermore, First Steamship is committed to gender equality in the composition of the Board. It is planned to add at least one female director at the upcoming shareholders' meeting, with a continuous effort to increase the proportion of female directors to at least three in the future.

Note: For detailed information on the diversity and independence of the Board, please refer to page 25 of the 2024 Shareholders' Meeting Annual Report.

Mr. Jen-Hao Kuo took over as General Manager of First Steamship in June 2016, as general manager and has dedicated to the reorganization and transformation of the Company; then took over concurrently as chairperson and general manager on December

19, 2017, and delivered a good result by the end of 2017, turning the Company's continuous losses to profits. In order to continue to strengthen and implement group integration and resource consolidation, it is still necessary at this stage to have a high degree of mastery over the Company's operations, business strategies, risk controls as well as over the overall industry dynamics so that the Company can take operational countermeasures and make target adjustments at critical moments. Moreover, among the seven directors on the board, only three hold employee status, ensuring the board retains objectivity in decision-making. In 2023, First Steamship conducted a comprehensive re-election of its Board of Directors, adding an independent director to enhance the board's independence and comply with regulatory standards. Directors are more than half of the seats held by independent directors (3 directors, and 4 independent director)

The Board of Directors adheres to a high standard of self-discipline to avoid conflicts of interest. For any agenda item presented to the board that may involve a director's personal interests, the director is required to disclose the significant details of their relationship at the meeting. If there is any risk of harm to the Company's interests, the director must abstain from discussion and voting, and they cannot delegate their voting rights to other directors. Additionally, First Steamship has established rules for board meeting procedures and the responsibilities of independent directors. To enhance risk management and encourage qualified professionals to serve on the board, First Steamship provides liability insurance for directors, allowing them to perform their duties without undue concern, while also reducing and dispersing the risk of significant losses to the Company and shareholders due to errors or negligence. In formulating business strategies, the board emphasizes the need for the shipping business to meet customer demands promptly and deliver outstanding results, while the department store business prioritizes service excellence. These principles are framed within a spirit of practical innovation, creating a unique and comfortable shopping environment for consumers. Each department then aligns its objectives accordingly and initiates relevant business operations, working together to achieve these goals.

Furthermore, to enhance the operational efficiency of the board, First Steamship has added performance evaluation measures for the Board of Directors. The evaluation encompasses the entire board, individual directors, and functional committees, with annual assessments of the board's and directors' performance. The overall board evaluation includes five criteria: operational participation, quality of decision-making, board composition, selection and ongoing education, and internal control. Individual director evaluations cover six criteria: understanding of company goals and tasks, awareness of responsibilities, operational participation, internal relationship management and communication, professional development and continuous education, and internal

control. Depending on the board's operational status and needs, evaluations may be conducted by an external professional independent organization every three years. The results of the board's performance evaluation serve as a reference for future selections or nominations of directors, while the evaluation results for individual directors are used as a basis for determining their respective compensation. In 2023, the overall self-assessment results of the Board of Directors, individual board members, and functional committees at First Steamship were all rated as excellent. Additionally, each director completed a minimum of 12 hours of training related to ESG topics, totaling 84 hours for the year.

First Steamship's various departments regularly engage with stakeholders through established channels. If potential significant negative impacts on the Company arise from stakeholder concerns or sustainability issues, the responsible departments will conduct due diligence on these matters, evaluating their implications for the Company's financial condition, compliance records, environmental practices, and labor rights. The findings will be reported to the Chairman, who will assess whether the specific outcomes pose a significant threat to the Company's operations. The Board will then make resolutions based on the due diligence reports submitted by the departments and delegate the implementation to the appropriate corporate departments. In 2024, no significant potential negative events occurred.

Finally, First Steamship continues to advance its board succession planning by establishing a director candidate database based on the following criteria:

- Integrity, accountability, innovation, and decision-making capability align with First Steamship's core values and include professional knowledge and skills that contribute to the company's management and operations.
- Has industry experience relevant to First Steamship's business operations.
- The addition of this director is expected to provide the Company with a board that remains effective, collaborative, diverse, and aligned with the Company's needs. And designate at least one female director, with the overall board's expertise covering corporate strategy, corporate governance, accounting and taxation, finance and financial management, and law. First Steamship's process for selecting director candidates complies with qualification reviews and relevant regulations to ensure that, when board vacancies arise or additional directors are needed, suitable new candidates can be effectively identified and appointed.
- The Nomination Committee is responsible for reviewing the qualifications of director candidates.
- First Steamship has also established the "Board of Directors Performance Evaluation Guidelines," using evaluation criteria such as control over corporate objectives and missions, fulfillment of duties, operational involvement, internal relationship management and communication, professional development, internal controls, and specific recommendations to assess board effectiveness and determine directors' performance. These evaluations serve as a reference for future director appointments.

First Steamship has also progressively appointed senior executives to its board of directors as part of its succession planning. This initiative enables them to gain familiarity with board operations and the various business units within the group.

Currently, three senior management personnel serve as directors at First Steamship, each possessing the necessary knowledge, skills, and competencies required for their roles.

Looking ahead, First Steamship aims to advance its maritime and retail business sectors, continuing its pursuit of excellence and striving for sustainable operations!

1.2.2 Audit Committee

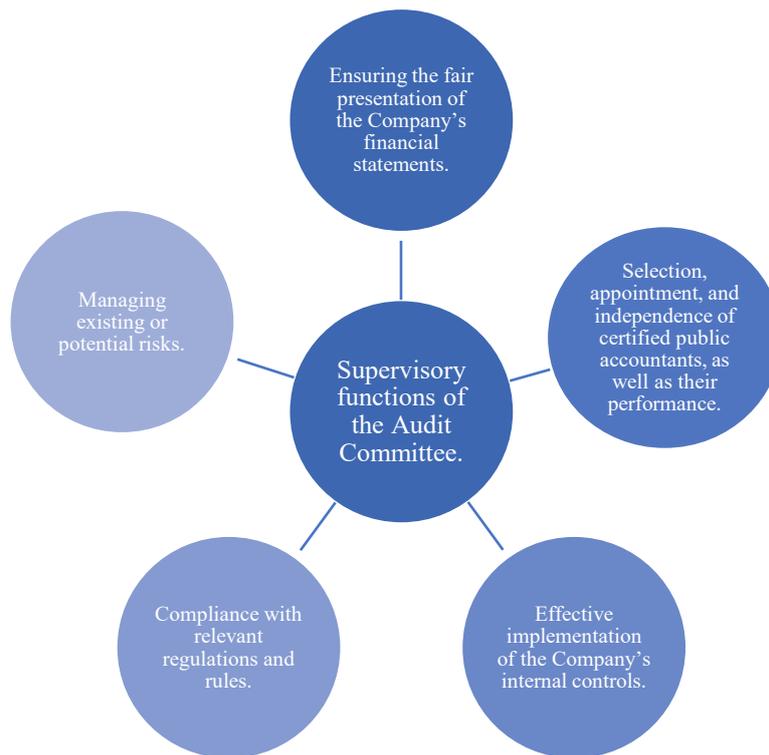
[Audit Committee Organization Regulations](#)



[Significant Resolutions of the Audit Committee Over the Years](#)



The Audit Committee assists the Board of Directors in overseeing the quality of the Company's accounting, auditing, financial reporting processes, and financial controls, and submits the evaluation results for discussion by the Board. First Steamship has established an Audit Committee under the Board of Directors, following the organizational regulations approved by the Board. The committee comprises all independent directors, with one serving as the convener. At least one member must have expertise in accounting or finance. The committee should meet at least once per quarter. In addition, First Steamship has added an independent director in the 2023 board re-election, so the current audit committee has 4 members.; In 2024, it held a total of 15 meetings. Additionally, independent directors regularly communicate with the accountants and the head of internal audit to fully grasp the Company's financial status, the financial conditions of domestic and overseas subsidiaries, overall operational circumstances, internal control implementation, and the latest legal developments.



1.2.3 Remuneration Committee

[Compensation Committee Organizational Regulations](#)



[Significant Resolutions of the Compensation Committee Over the Years](#)



First Steamship has established a robust compensation system for directors and executives to assess whether the remuneration received by directors and managers is fair and reasonable in relation to their operational performance. To this end, the Board of Directors has approved the organizational regulations for the Compensation Committee, which operates under the Board. The Compensation Committee, composed entirely of independent directors, meets at least twice a year. In August 2023, the Board appointed four members to the fifth term of the Remuneration Committee, all of whom are independent directors of First Steamship. The term of office for the Remuneration Committee coincides with that of the Board of Directors, and its members elect one another to serve as Chairperson and presiding officer of meetings. The committee held three meetings in 2024.

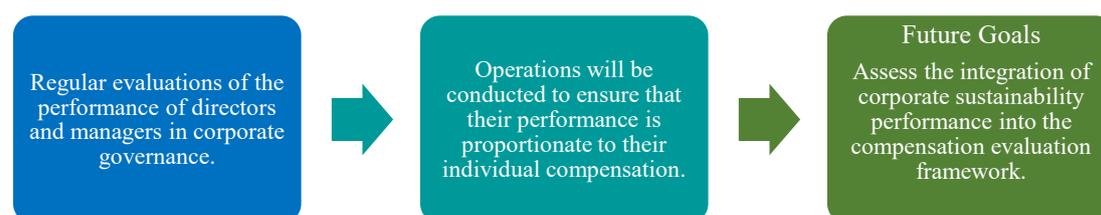
In conducting evaluations, the Compensation Committee takes into account the performance assessments and remuneration of directors and executives while referencing the typical compensation levels in the industry. It considers the relationship between individual performance, company operational performance, the results of board performance evaluations, and future risk, ensuring that directors and executives are not incentivized to pursue compensation at the expense of the Company's risk appetite.

Furthermore, the Compensation Committee adheres to its duty of care as responsible managers, faithfully establishing and regularly reviewing the policies, systems, standards, and structures for performance assessments and remuneration of directors and executives. It also regularly evaluates and determines the compensation for directors and executives, submitting its recommendations to the Board for discussion. First Steamship plans to establish and disclose a policy in 2024 linking executive compensation to ESG-related performance assessments.

Beginning in 2025, the company will link sustainability performance to incentive compensation for the Chairman and senior executives, with evaluation criteria as follows:

Target	Indicator
Chairman	Financial Performance (40%)
	Operations management (35%)
	Sustainable development performance (10%): Ethical Integrity(5%), Other(5%)
	Learning and growth (10%)
Senior Managerial Officers (General Manager, CEO, Vice General Manager)	Sustainable development performance (10%): Ethical Integrity(10%)

According to the Company’s articles of incorporation, if the Company is profitable in a given year, at least 1% must be allocated for employee compensation, and no more than 3% for director compensation. However, if the Company has accumulated losses, this amount should be reserved for compensation recovery. Employees should reserve the make-up amount in advance. The aforementioned employee profits sharing may be in the form of stock or cash and may be paid to employees of the subordinate companies who meet the criteria set by the Board of Directors. Profits shared with directors can only be in the form of cash. The allocation of employee compensation and director remuneration should be determined by a resolution of the Board of Directors and reported to the shareholders' meeting. In addition, in compliance with regulatory requirements, First Steamship plans to submit an amendment to its articles of association for shareholder approval at the 2025 annual general meeting, explicitly including provisions for wage adjustments or bonus allocations for frontline employees. This initiative is expected to enhance frontline staff compensation and strengthen their commitment to the company.



1.2.4 Nomination Committee

[Nomination Committee Organizational Regulations](#)



[Committee Over the Years](#)



In December 2022, First Steamship's Board of Directors resolved to establish a Nomination Committee. The committee consists of three members, in August 2023, the Board of Directors appointed four members to the Second Nomination Committee, all of whom are independent directors of First Steamship. The term of the Nomination Committee is aligned with the tenure of the appointed Board of Directors, and the members elect one among themselves to serve as the convener and chairperson of the meetings. Meetings may be convened as needed, and the committee met three times in 2024.

Responsibilities of the Nomination Committee

Review/ Process Items

- Nominate the Company's directors, and review the qualifications of director candidates.
- Create the organizational structure of the various functional committees under the Board of Directors, and review the formulation and revision of the charter of each functional committee.
- Review the formulation and revision of the regulations governing the operation of the Board of Directors.
- Review the Corporate Governance Practices Code of First Steamship.
- Others tasks assigned to this committee by the Board of Directors.

Nomination Committee in 2024

Discussion Resolutions and Reporting Items

- Approved to amend some articles of the Company's "Board of Directors' Rules of Procedures".
- Approved the proposal to amend some articles of the Company's "Code of Practice on Corporate Governance".
- Approved the proposed amendments to certain provisions of the "Audit Committee Organizational Regulations."
- Approved the proposed amendments to certain provisions of the "Rules of Procedure for Shareholder Meeting."
- Reported on the performance evaluation and implementation results of the operations of the Board of Directors from November 2023 to October 2024.

1.2.5 Corporate Governance Senior Manager

In March 2021, First Steamship appointed a Corporate Governance Senior Manager (who also serves as the Chief Financial Officer). Subsequently, in May 2022, a Corporate Governance Senior Manager (holding the position of Assistant Manager) was hired to assist independent directors and general directors in performing their duties, providing necessary information, and arranging training for directors. This includes supplying the Company with the information required by the directors and maintaining smooth communication and exchanges between directors and various business executives. Meetings are arranged between independent directors and the heads of internal audits or certified public accountants. Based on the industry characteristics of First Steamship and the educational and experiential backgrounds of the directors, the officer also assists independent and general directors and arranges relevant training courses. Additionally, the manager supports the procedural and regulatory compliance matters of board meetings and shareholder meetings. This includes reporting the status of corporate governance operations to the Board of Directors, Independent Directors, and the Audit Committee, confirming that the convening of shareholder and board meetings complies with relevant laws and corporate governance codes. The manager assists and reminds directors of the regulations they must adhere to when conducting business or making resolutions in board meetings. After meetings, the manager is responsible for reviewing and releasing significant information regarding important board resolutions, ensuring the legality and accuracy of disclosed content. The manager is also responsible for drafting board meeting agendas and notifying directors seven days in advance, providing meeting materials. If any topics require a conflict-of-interest avoidance, prior reminders are issued. The minutes of the Board meeting are to be completed within twenty days after the meeting. The manager ensures that the date of the shareholder meeting is registered in advance, and that notifications, meeting handbooks, and minutes are produced within legal time frames, including handling amendments to the articles of incorporation or changes related to the election of directors.

In 2024, the corporate governance senior manager achieved 30 hours of training. At the same time, First Steamship maintained a ranking within the 36-50% range in the 10th Corporate Governance Evaluation for listed companies in 2024. The Company will continue to strengthen its corporate governance to meet the expectations of shareholders and other stakeholders.

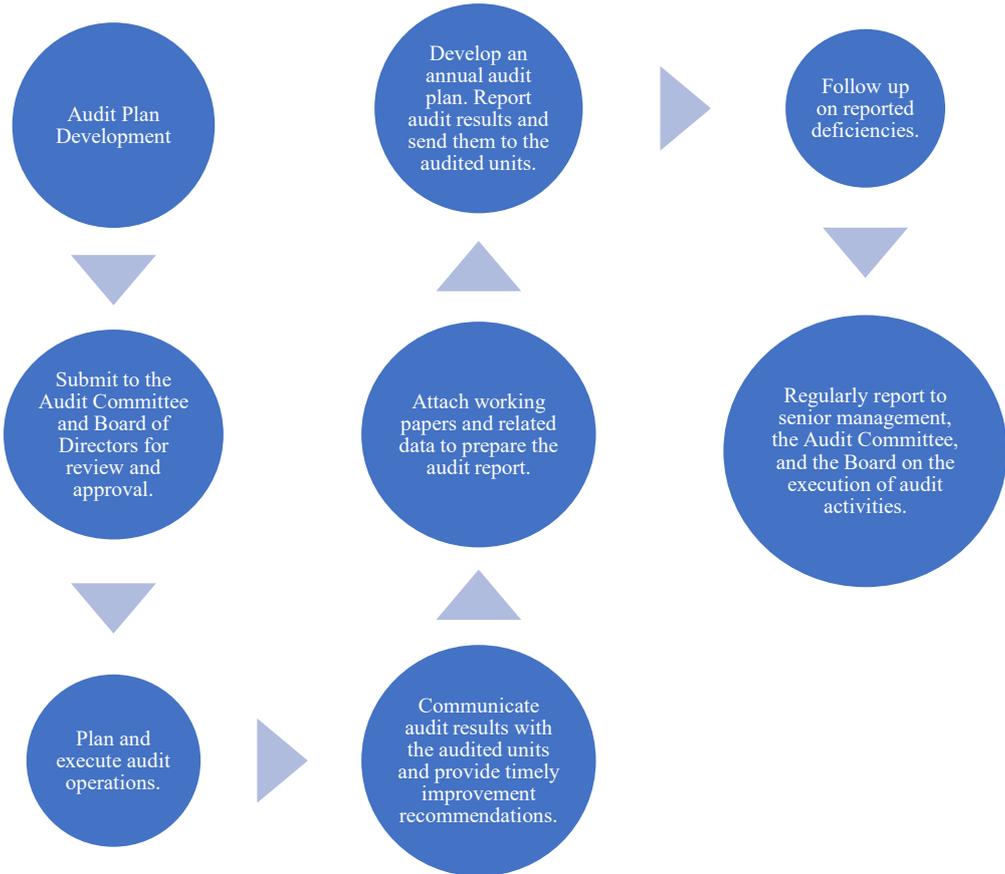
Achievements of the Corporate Governance Senior Manager for the Year

- Carried out Board meetings and shareholder meetings in accordance against the law.
- Prepared minutes of Board meetings and shareholder meetings.
- Provided Board members with updates on relevant corporate governance laws and regulations; supplied necessary information for directors in executing their duties while reminding them of compliance requirements.
- Arranged training for Board members on ESG-related courses.
- Evaluate and purchase liability insurance for directors and supervisors of the Group.
- Regularly organized communication meetings between independent directors and accountants or internal audit supervisors.
- Coordinated the Group's GHG inventory and inspection operations.
- Coordinated the Group's risk management operations.
- Convened quarterly corporate governance review meetings.
- Coordinated ESG training for all directors, with each director completing 12 hours of coursework, totaling 84 hours.
- The corporate governance senior manager completed the mandated 30 hours of continuing education courses.
- The corporate governance senior manager presented a report at the December 2024 board meeting, detailing the corporate governance status for 2023 and 2024, along with information on the 2024 corporate governance evaluation indicators.

1.2.6 Internal Audit

To implement effective internal controls, First Steamship has established an independent audit office under the Board of Directors. Auditors, maintaining an independent, objective, and impartial stance, execute relevant tasks according to the audit plan to ensure that the Company's internal operations comply with regulations and internal control systems. Additionally, they conduct project audits as needed and provide timely insights to the Board regarding potential operational risks. Furthermore, they assist the Board and senior management in conducting independent and objective evaluations of the completeness, effectiveness, and implementation of the internal control system, offering timely improvement recommendations to ensure the continued execution of these controls. They also provide relevant investigations, evaluations, or consulting services to support the Board in fulfilling its corporate governance responsibilities. Simultaneously, efforts are made to enhance the professional capabilities of the audit personnel to improve and maintain the quality and effectiveness of their audits. In addition to reporting at the regular meetings of the Board, auditors also report to independent directors when necessary. In 2024, the audit scope covered First Steamship and its subsidiaries, executing a total of 668 audit operations, achieving a compliance rate of 99.55%. Any non-compliant items were addressed and improved within the stipulated time frame.

In addition, First Steamship also adheres to the: "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Operating Procedures for Preparation and Submission of Sustainability Reports by Listed Companies," and has established the "Regulations for the Preparation and Declaration of Sustainability Reports." These procedures enable internal control reviews of sustainability information, with a plan to complete the first sustainability report review by the end of 2025.



1.3 Ethics Integrity

<u>Code of Conduct for Integrity</u>	<u>Code of Ethical Behavior</u>	<u>Procedures and Guidelines for Integrity Management</u>	<u>Measures to Prevent Insider Trading</u>
			

First Steamship is committed to a foundation of legal compliance and integrity as its core principle. The Company operates its business activities with honesty and legality. To ensure the effective implementation of integrity in operations, the Board of Directors has approved the establishment of relevant integrity regulations, including the "Code of Integrity," "Code of Ethical Conduct," and "Procedures for Ethical Management and Guidelines for Conduct." These guidelines require all personnel within the Company to adhere strictly to the principles of honesty and integrity in the execution of their business activities.

Responsible Department/ Reporting Mechanism

- **Responsible Department:** The Board Secretary's Office is allocated sufficient resources and staffed with qualified personnel to promote the Company's internal integrity operations.
- **Reporting Mechanism:** An ethics and integrity reporting mailbox is available at fssaudit@firsteam.com.tw.

Work Plan and Responsibilities

- Assist in integrating ethical and integrity values into the Company's business strategies while collaborating with legal regulations to establish preventive measures against integrity breaches.
- Regularly analyze and assess the risks of dishonest behavior within the Company's business scope, and develop plans to prevent such behavior, along with formulating standard operating procedures and behavioral guidelines related to business activities.
- Design the internal organizational structure, roles, and responsibilities to establish a monitoring mechanism for business activities with higher risks of dishonesty.
- Plan internal training programs on ethics and integrity advocacy.
- Develop a reporting system that includes a publicly announced reporting mailbox and subsequent investigation procedures.
- Assist the Board of Directors and management in auditing and evaluating the effectiveness of the preventive measures established for integrity operations. Regular assessments of compliance with relevant business processes will be conducted, with reports generated accordingly.
- Prepare and properly archive documents related to integrity operation policies, compliance statements, implementation commitments, and execution status.

First Steamship's Integrity Management Implementation Results in 2024 are as follows:

- On February 22 of that year, the Company attended an online seminar hosted by the Stock Exchange titled "Securities Transaction Act Article 43-1, Paragraph 1: New Reporting System for Large Acquisitions." The seminar covered the new reporting requirements for large acquisitions under Article 43-1, Paragraph 1 of the Securities Transaction Act, which will take effect on May 20 of the same year, along with related content, reporting procedures, and important considerations. The course lasted 2 hours and has 6 participants.
- On October 17 of that year, a lecturer from the Taiwan Corporate Governance Association was invited to provide Education and Training for the board members and employees. The Course Content titled "How Digital Transformation in Enterprises Can Balance Smart Safety Risks for a Triple Win" lasted a total of 3 hours and was attended by 41 participants.
- On October 17 of that year, a lecturer from the Taiwan Corporate Governance Association was invited to provide Education and Training for the board members and employees. The Course Content titled "Legal Matters the Board of Directors Should Supervise and Understand to Avoid Crossing the Red Line of Collusive Actions and Prevent Insider Trading" lasted a total of 3 hours and was attended by 41 participants.
- On October 18 of that year, a lecturer from the Taiwan Corporate Governance Association was invited to provide Education and Training for the board members and employees. The Course Content titled "Integrity Management and Anti-Corruption from the Perspective of Sustainable Governance" lasted a total of 3 hours and was attended by 41 participants.
- On October 18 of that year, a lecturer from the Taiwan Corporate Governance Association was invited to provide Education and Training for the board members and employees. The Course Content titled "Labor Dispute Prevention and Corporate Governance (including Gender Equality in the Workplace Law)" lasted a total of 3 hours and was attended by 41 participants.
- On November 22 of that year, the Company participated in an online seminar hosted by the Stock Exchange titled "2024 Annual Insider Equity Trading Legal Compliance Briefing." The session covered topics such as "Insider Trading Briefing," "Regulations and Practices for Insider Equity Changes," "Large Acquisitions," and "Short-Term Trading Briefing," lasting 3 hours, with 3 participants (including the internal audit supervisor, the board secretary's office manager, and accounting department manager).
- On November 26 of that year, the Company participated in a seminar hosted by the Stock Exchange titled "Listed Company Business Briefing." The content included "Major Announcements and Trading Halts," "Corporate Governance Regulations Amendments and Related Practices," "Recent Regulatory Amendments Highlights," "Annual Information Disclosure Amendments," "cybersecurity Awareness," and "Introduction to Index Company IR and Meeting Services and Carbon Credit Trading." The session lasted 3 hours, with 1 participant (the board secretary's office manager).
- On December 27 of that year, First Steamship conducted an internal training course for employees titled "Integrity Management Procedures and Guidelines, Insider Trading Prevention, and Cybersecurity Awareness." The course included topics such as "Management of Insider Trading Prevention," "Regulations and Practices for

Insider Equity Changes," "Large Acquisitions," "Short-Term Trading Briefing," "Integrity Management Procedures and Guidelines," and "Cybersecurity Management Procedures and Compliance Points." This session lasted for 1 hour and was attended by 15 participants from various departments.

- The Company also encourages and arranges for employees to take external training courses, thereby fully communicating the importance of ethical corporate management implementation to them.
- To deepen employees' commitment to ethical integrity, the Company has started with training for new hires.

In December of that year, the execution results of the 2024 corporate integrity management initiatives were reported to the Board of Directors. In December of that year, the Company reports the execution results of its corporate integrity management initiatives to the Board of Directors.

To integrate the spirit of integrity and ethics into the daily operations of our employees, First Steamship has established a Commitment to Integrity and Clean Governance. Employees are required to adhere strictly to the Company's internal ethical standards and pledge not to solicit, accept, or receive any form of improper benefits from employees of the Company's business partners or other stakeholders by exploiting their positions. They are also prohibited from engaging in any conduct that could harm the Company's interests during their employment or after leaving the Company. Since 2019, new hires have been required to sign the Clean Governance Commitment. Beginning in 2020, the scope of this commitment was extended to include all current employees, and as of now, all employees have successfully signed the Clean Governance Commitment.



Year	Annual Statistics on Signed Integrity and Honesty Commitment Letter
2022	5 new hires
2023	7 new hires
2024	78 new hires
As of the end of 2024, the employee signing rate at First Steamship reached 100%.	

To ensure the effective implementation of ethical principles within the Company, First Steamship has established a reporting channel for ethics and integrity violations, allowing stakeholders to report any misconduct by employees. The Company has designated personnel to handle these reports, maintaining records of the process, investigation results, and related documentation. Furthermore, the identity of whistleblowers and the content of their reports will be kept confidential to protect them from any retaliatory actions by the Company. There are also rewards for whistleblowers.

All employees have signed business confidentiality agreements, prohibiting them from removing company business materials without authorization, accessing illegal websites, or installing unauthorized software or external hardware devices. As of the end of 2024, all 48 eligible employees had signed the agreement, achieving a 100% signing rate. In 2024, the company's whistleblower channels did not receive any reports of employees violating rules of integrity or ethical standards.

1.4 Risk Management

[Risk Management Standards](#)



In the face of uncertain risks in business operations, in addition to formulating the "Risk Management Guidelines" as the highest guiding principle for corporate risk management, First Steamship identifies significant environmental, social and economic themes related to the Company's operations annually through an on-line questionnaire based on the principle of materiality, and proposes strategies to address potential negative impacts to the Company based on these themes. First Steamship also plans to report to the Board of Directors on its ESG risk response at least once a year to enable the Board of Directors to further oversee the Company's control of actual or potential risks. The implementation status of risk management for 2024 has been reported to the Audit Committee and Board of Directors during their meeting held in October of the same year.

Responsibility	<ul style="list-style-type: none"> ● Each unit is accountable for risk management, and shall separately assess the source of risks facing them, identify, monitor, report, and disclose the risks, and shall submit a monthly management report for confirmation and management purposes. <ul style="list-style-type: none"> ➢ General Administration Division: Legal compliance; control of ESH operation risks. ➢ Investment Division: Control of investment and credit risks. ➢ Treasury Division: Control of financial risks, e.g., financing and exchange rates. ➢ Accounting Division: Control of overdue accounts receivable according to the aging analysis; assessment of tax risks. ➢ Marine Transportation Business Unit: Assessment of risks incidental to operating performance and voyage safety. ➢ Department Store Business Unit: Control of risks pertaining to operational performance. ➢ Real Estate Business Unit: Control of risks pertaining to operational performance.
Meetings	<ul style="list-style-type: none"> ● The responsible units hold a review meeting monthly, and at any time if necessary.
Reporting Process	<ul style="list-style-type: none"> ● The Accounting Division compiles the information provided by each responsible unit into a monthly management report at the disposal of the Chairperson, President, or CFO for reference for decision-making. ● The risk management unit is responsible for overseeing the implementation of risk control measures for 2023, with a report to be submitted to the Audit Committee and the Board of Directors in December 2023. The content of the evaluation will be discussed and approved without objection.

Risk Aspect	Risk Issues	First Steamship Response Measures
Governance	Operational Performance	<ul style="list-style-type: none"> ● Corporate Governance: The Company will report to the Board of Directors at least once a year on the status of corporate governance implementation. This report will include, but not be limited to, the Company's governance evaluation metrics and results, initiatives to promote business integrity and prevent insider trading, legal compliance, risk assessment, and the status of communication with stakeholders. ● Investment: First Steamship will develop various investment projects based on market conditions and the Company's development strategy, appropriately diversifying investment categories to reduce the risk of over-concentration. The Company will also adjust its investment positions in response to market dynamics, managing risks within acceptable limits while seizing business opportunities and enhancing shareholder returns. ● Marine Transportation: <ul style="list-style-type: none"> ➢ Geopolitical conflicts have significantly impacted the dry bulk shipping market, as security concerns in key maritime routes such as the Red Sea, Suez Canal, and Black Sea have forced some vessels to take longer detours, resulting in increased transportation costs. On the other hand, piracy and activities by other armed groups pose threats to maritime navigation safety, increasing insurance and security costs. The company coordinates routes and vessel deployment with charterers, enhances security measures, and flexibly structures insurance arrangements to mitigate risks. ➢ The International Maritime Organization (IMO) is advancing stricter environmental regulations, including the Carbon Intensity Indicator (CII) and an expanded scope of Emission Control Areas (ECAs), requiring older vessels to slow down or undergo retrofitting, or else face operational restrictions. Future shipowners will face additional costs associated with fuel choices such as low-sulfur oil, LNG, or methanol, and some ports may impose higher docking fees or restrict port access for vessels that fail to meet emission standards. The company optimizes fuel consumption, invests in newbuild vessels, and considers utilizing carbon trading mechanisms to reduce compliance costs. ➢ The dry bulk shipping market is highly dependent on demand for commodities such as iron ore, coal, grain, and construction materials. Slowing Chinese economic growth, changes in U.S.

Risk Aspect	Risk Issues	First Steamship Response Measures
		<p>interest rate policies, and weak European manufacturing could all affect import and export demand, thereby suppressing freight rates. Moreover, extreme weather conditions affect crop yields, intensifying volatility in the grain transportation market and increasing market uncertainty. The company continuously monitors market trends, flexibly adjusts capacity and chartering strategies, and secures operational stability through long-term contracts.</p> <ul style="list-style-type: none"> ● Grand Ocean Retail Group: <ul style="list-style-type: none"> ➤ Beyond its existing Grand Ocean Jingdian and Grand Ocean Department Store models, the group opened two new shopping centers in 2018: the Shiyan Modern Shopping Center and the Jiaraixing Underground Commercial Street. Furthermore, on December 22, 2021, the Shanghai Tian'an Qianshu Shopping Center held its grand opening, marking a significant expansion of the group's presence in the mainland retail market and broadening its operational model. Looking ahead, the group aims to create even more diverse and multi-functional shopping spaces. In September 2023, Grand Ocean established a new shopping center project, Grand Ocean Center, in Wuhan, which is currently in its trial operation phase and is planned to officially open in April 2024. This development aims to further enhance Grand Ocean's brand influence and market competitiveness in Wuhan. ➤ In 2024, Grand Ocean's various stores adapted their strategies by expanding product categories and variety, incorporating experiential elements, partnering with popular brands, enhancing food and beverage service options, offering high-engagement products, evolving management models, increasing management consulting revenue, and collaborating with major e-commerce platforms to develop an online sales model. These efforts aim to diversify and enrich the sales channels. Grand Ocean is committed to its mission of "strengthening the retail sector to create an all-in-one shopping paradise, and refining the experiential model to offer a multidimensional consumer space," as it continues to advance. Grand Ocean will continue advancing with the mission of "strengthening product strength, pricing power, and heart-driven retail to ensure store appeal; leveraging technological innovation, omnichannel integration, and intelligent systems to stimulate customer spending."
Governance	Ethics	<ul style="list-style-type: none"> ● All newly onboarded employees at First Steamship have completed the signing of the Integrity and Anti-

Risk Aspect	Risk Issues	First Steamship Response Measures
	Integrity	<p>Corruption Commitment Form.</p> <ul style="list-style-type: none"> ● During the year, employees participated in a total of 2 internal and external courses on ethics and integrity, accumulating 126 hours of training. ● A comprehensive whistleblowing channel has been established, and no whistleblowing cases were received during the year. ● The Company's internal guidelines on integrity are available on the official website for stakeholders to access.
Governance	Cybersecurity	<ul style="list-style-type: none"> ● In compliance with government regulations and referencing the ISO 27001:2013 cybersecurity Management System framework, First Steamship has established a PDCA (Plan-Do-Check-Act) management cycle based on the Company's needs. This approach aims to strengthen the management of information and communication security and ensure that the confidentiality, integrity, and availability of the Company's information assets meet both regulatory requirements and the Company's needs, mitigating risks from internal and external threats, whether intentional or caused by natural disasters. ● For more details, please visit: First Steamship's official website under the Sustainability section/ Cybersecurity-Cybersecurity Risks and Protective Measures.
Social	Voyage Safety	<ul style="list-style-type: none"> ● To address various safety risks that may arise during marine navigation, such as sudden weather changes, pirate hijacking, collisions at sea, oil spills, illnesses, and crew work-related injuries, the marine transportation business has developed insurance plans for each specific risk. This includes arranging Hull Insurance, War Risk Insurance, and protection through the Protection and Indemnity (P&I) Clubs to mitigate and transfer operational risks. Additional insurance is planned as required by business needs. Safety monitoring systems for the hull, hardware and software equipment, and operational procedures have been established to eliminate workplace safety hazards.
Social	Remuneration and Benefit/ Talent Retention	<ul style="list-style-type: none"> ● The Company offers market-competitive compensation packages to attract talented individuals and shares its profits with employees when the Company performs well. ● The Company closely monitors amendments to labor laws and adjusts internal personnel management measures accordingly to minimize legal risks. Furthermore, the employee turnover rate is low, indicating that there is no risk of labor shortages.

Risk Aspect	Risk Issues	First Steamship Response Measures
Social	Talent Cultivation	<ul style="list-style-type: none"> ● First Steamship <ul style="list-style-type: none"> ➢ New employees receive onboarding training upon joining, arranged by the Human Resources department, covering general foundational content such as company history and their entitled rights. Following assignment to their respective departments, department supervisors and senior staff provide detailed job-specific training and guidance on professional responsibilities, work scope, and procedures, ensuring new hires understand their duties and are capable of successfully completing assigned tasks. ➢ For employees currently holding a post, department supervisors shall conduct annual evaluations of their job capabilities and knowledge. If deficiencies are identified, special training courses shall be arranged to strengthen their skills; alternatively, training programs shall be developed based on the operational needs of the department, as well as relevant regulations and guidelines issued by international, national, and maritime authorities. ● Grand Ocean Retail Group: <ul style="list-style-type: none"> ➢ Grand Ocean's reserve cadre program is designed to cultivate outstanding university graduates, enabling them to grow rapidly through the program and supply talent for new store openings and mid-level management positions.
Social	Customer Service/ Product Responsibility	<ul style="list-style-type: none"> ● Marine Transportation: In recent years, fluctuations in the Baltic Dry Index (BDI) have not only affected the shipping market but also tested the Company's business strategies. The shipping business has focused on selecting high-quality clients in this challenging market, maintaining open and efficient communication channels to establish long-term, stable partnerships. Additionally, the marine transportation business has taken preventive measures by securing liability insurance to cover potential cargo damage during transportation. For specific ports, it has implemented damage prevention measures and conducted pre-loading inspections to protect client property, reduce claims, ensure the safe delivery of goods, and foster long-term, positive client relationships. ● Grand Ocean Retail Group: <ul style="list-style-type: none"> ➢ In response to increasing consumer concerns about the safety of food and cosmetics, which directly impact health through ingestion or skin application, Grand Ocean Retail Group has maintained its unwavering commitment to ensuring the safety of products supplied by manufacturers.

Risk Aspect	Risk Issues	First Steamship Response Measures
		<ul style="list-style-type: none"> ➤ For its private-label brands, Grand Ocean Retail Group currently requires manufacturers to provide certification reports from third-party institutions verifying product compliance with safety standards. Moving forward, the group will assess the implementation effectiveness and the level of cooperation from manufacturers to gradually expand this requirement to more suppliers. Additionally, we have refined our restaurant kitchen hygiene management system, covering areas such as food hygiene, utensil hygiene, environmental sanitation, personal hygiene, roles and responsibilities of store managers, supervisors, head chefs, and service staff. We also require all employees, including new hires and temporary staff, to obtain a health certificate before starting their employment to ensure consumer safety. ➤ Leveraging the strategic locations of our stores, we aim to differentiate our business operations by creating leisure spaces to enhance the consumer experience, meeting customer needs, and attracting more in-store visits. We focus on strengthening VIP services to boost customer loyalty. Regular promotions, such as exchange offers and discount campaigns, are organized on weekdays, weekends, and holidays to appeal to customers, including family-oriented events that encourage multi-family participation. We have also initiated cross-industry alliance activities to attract a diverse range of customers, creating win-win market opportunities. Customer complaints are handled promptly and resolved appropriately, with dedicated service provided in VIP lounges. When necessary, floor managers are available to assist, and in special cases, compensation can be arranged in advance through the customer complaint fund as stipulated in supplier agreements.
Social	Occupational Safety	<ul style="list-style-type: none"> ● Marine Transportation: Safety is the top priority when working on board. Relevant measures include wearing appropriate safety gear such as helmets, high-visibility clothing, life jackets, gloves, and safety shoes to prevent accidents. Safety guidelines should be followed before boarding, and working alone should be avoided whenever possible. In the work area, ensure adequate lighting, anti-slip measures, and keep a safe distance from moving machinery. Additionally, avoid contact with asbestos and other hazardous substances. Extra caution is required when working in refrigerated warehouses and other confined spaces to prevent accidents. ● Grand Ocean Retail Group: Grand Ocean places great importance on safeguarding the personal safety of its customers and employees, implementing the following measures: establishing comprehensive mall

Risk Aspect	Risk Issues	First Steamship Response Measures
		<p>safety management systems, including compliance with fire safety regulations and emergency response plans for unexpected incidents; enhancing security patrols by conducting thorough daily inspections of the entire shopping center to ensure there are no potential safety hazards; organizing fire safety training and drills to improve staff and tenant emergency response capabilities; and strengthening inspections and maintenance of fire protection facilities to guarantee their safety and effectiveness. In 2024, Grand Ocean Shanghai Qianshu Store was honored as an Advanced Collective in Fire Safety Work by the Putuo District government. Regular maintenance and servicing of mall facilities are conducted to ensure the safety of customers' shopping environment. In addition, regarding environmental maintenance at the mall, daily cleaning of both indoor and outdoor areas is conducted to ensure a clean and orderly environment; waste sorting and recycling stations are established to reduce pollution; regular disinfection helps eliminate potential hygiene hazards; meanwhile, landscaping and green space maintenance enhance the mall's ambiance. For example, Grand Ocean Shanghai Qianshu features abundant greenery that has become one of the mall's signature attractions, drawing numerous customers for photo opportunities.</p>
Environment	Environmental Pollution/ GHG Management /Climate Change	<ul style="list-style-type: none"> ● Marine Transportation: <ul style="list-style-type: none"> ➤ Environmental Pollution Prevention: At the MEPC 82 meeting, the International Maritime Organization (IMO) further advanced policies to reduce greenhouse gas emissions from ships, reaffirming its target of achieving net-zero emissions by 2050 and planning to adopt an amendment to the MARPOL Convention in 2025. The new measures will include fuel standards that require internationally navigating vessels to gradually reduce the greenhouse gas intensity of their fuels, and establish economic mechanisms such as carbon emission charges to promote the adoption of low-carbon technologies and fuels. In addition, starting in 2024, the European Union will include shipping in its Emissions Trading System (ETS), requiring shipping companies to monitor their emissions and purchase carbon allowances to cover their emissions. In response to these regulatory changes, the company will evaluate fleet upgrade and technology investment plans to comply with new requirements while maintaining operational efficiency. ➤ Climate Change Mitigation: Extreme weather poses challenges to global shipping and transportation, potentially disrupting supply chains for certain bulk commodities and affecting operational planning. To enhance maritime safety, the company has implemented a real-time weather monitoring system.

Risk Aspect	Risk Issues	First Steamship Response Measures
		<p>Through collaboration between vessels equipped with meteorological navigation systems and onshore command teams, the company closely tracks weather changes and adjusts shipping routes accordingly to minimize risks and ensure timely delivery of cargo.</p> <ul style="list-style-type: none"> ● Grand Ocean Retail Group: <ul style="list-style-type: none"> ➤ Air Pollution and GHG Control: The ventilation system combines air conditioning with fresh air intake, where outdoor air is filtered before being introduced into the mall to ensure indoor air quality. Kitchens within the mall that provide food services are equipped with exhaust purification systems to process emissions before releasing them outdoors, in compliance with local regulations. The mall's renovations use construction materials and techniques that meet legal requirements. Additionally, the mall does not use environmentally harmful or non-recyclable packaging materials, and all facilities comply with GHG emission regulations. ➤ Energy Saving: The mall has been gradually replacing its lighting fixtures from traditional electronic and T5 lamps to LED lamps. Air conditioning accounts for approximately 30-40% of the mall's total electricity consumption, and in 2024, each store adjusted air conditioning usage based on weather and indoor temperature conditions to continuously reduce energy consumption. The restrooms are equipped with sensor faucets for water-saving control. The mall actively promotes energy-saving awareness, encouraging all staff to participate in reducing unnecessary electricity usage. ➤ Waste Management: The mall first classifies waste for proper management. Recyclable waste is placed in designated areas for collection by authorized cleaning companies. Kitchen waste is bagged and stored in sealed bins for same-day disposal by the environmental department.
Environment, Social	Sustainability Supply Chain	<ul style="list-style-type: none"> ● Marine Transportation: <ul style="list-style-type: none"> ➤ Building Partnerships: Long-term partnerships with suppliers are established not only based on cost and efficiency but also on shared sustainability goals. ➤ Regulatory Compliance and Human Rights: Suppliers are required to comply with international environmental regulations, labor standards, and human rights principles to ensure the ethical and lawful nature of the supply chain. ➤ Environmental Principles: The Company promotes green procurement and prioritizes suppliers who implement environmental measures, including reducing GHG emissions, utilizing renewable energy,

Risk Aspect	Risk Issues	First Steamship Response Measures
		<p>and offering low-carbon products, to mitigate the environmental impact of maritime activities.</p> <ul style="list-style-type: none"> ➤ Performance Evaluation: The Company regularly evaluates supplier performance to ensure they continuously meet the Company's standards and expectations regarding quality, cost-efficiency, delivery times, and service attitude. ● Grand Ocean Retail Group: <ul style="list-style-type: none"> ➤ The Company internally evaluates the scale of the supplier, transaction amount, and product attributes to consider incorporating sustainable supplier clauses into the contracts between both parties. These clauses include prohibitions against actions such as infringing on labor rights, polluting the local environment, compromising workplace safety, and violating ethical standards.

Note: For detailed information on financial risks, please refer to Section Five of the 2024 First Steamship Annual Report, which includes the review and analysis of financial conditions, performance, and risk factors.

1.5 Compliance with Laws and Regulations

Management Approach

- Each department arranges training on relevant regulations according to its business needs. This includes inviting experts to conduct in-house training or designating personnel to attend external training programs. Those who receive training then serve as internal trainers to educate other staff members.
- Annual audits are conducted to ensure that employees comply with both regulatory requirements and internal company policies in their operations.

Responsible Department/ Reporting Mechanism

- Responsible Department: Heads of department/ Internal grievance channels.
- Reporting Mechanism: fssaudit@firsteam.com.tw

Evaluation Results

- In 2024, the total training hours on regulatory education amounted to: Board members: 84 hours, Corporate Governance Senior Managers: 30 hours, General employees: 799 hours. The total amounts are 913 hours dedicated to regulatory training increased by 68.74% compared to the previous year.
- In 2024, First Steamship recorded no major violations.
Note: Major violations are defined as individual fines exceeding NT\$100,000.

Compliance with regulations fosters trust in First Steamship from shareholders, employees, customers, and other stakeholders. We regard regulatory adherence as a fundamental requirement for all company employees, consistently reminding them to prioritize compliance in their business activities, thereby cultivating a culture of legal observance within the Company. Additionally, First Steamship holds our supply chain partners to these same standards of compliance.

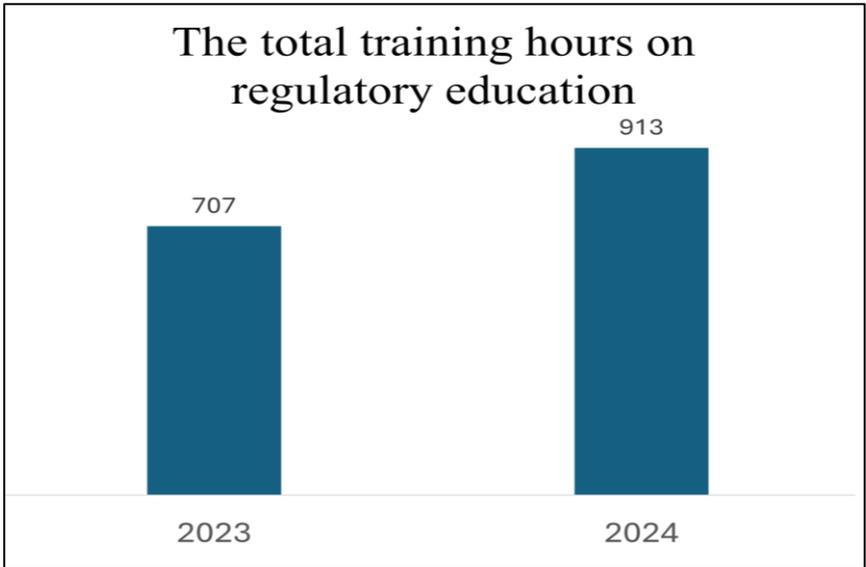
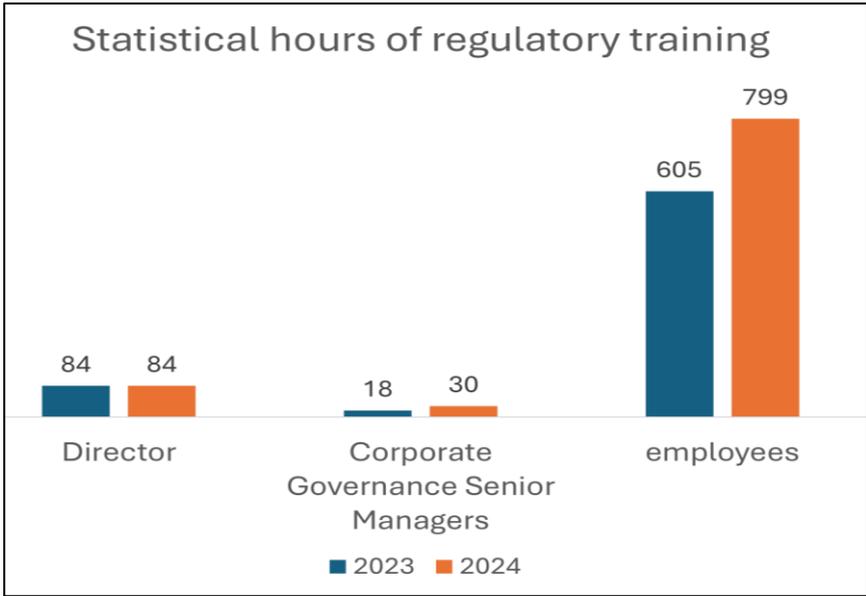
First Steamship is committed to enhancing its regulatory compliance management system. In line with principles of integrity, transparency, and accountability, we have established policies rooted in ethical standards and a robust risk management mechanism to foster a sustainable business environment. To this end, First Steamship established a corporate governance senior manager (who also serves as the Chief Financial Officer) in March 2021, and in May 2022, appointed a new corporate governance senior manager (who also serves as an Assistant Vice President). This officer is responsible for reporting on the state of corporate governance to the Board of

Directors, independent directors, and the Audit Committee, while also ensuring that shareholder meetings and board meetings are conducted in accordance with legal and corporate governance regulations. They assist and remind directors of the legal requirements to be observed in business operations or board resolutions. For any changes in relevant regulations or requirements from regulatory authorities, we engage external legal advisors for timely professional consultation. Additionally, we have established an internal document management system to accurately track the latest regulatory developments, ensuring prompt communication and compliance with regulatory requests, and timely revisions of internal regulations. Relevant departmental staff are encouraged to participate in legal courses organized by external institutions. Through this external training, participating staff can stay informed about regulatory trends and promote this knowledge during internal departmental meetings. In 2024, First Steamship encouraged all departmental staff to actively participate in regulatory training related to their business responsibilities, including both internal training and courses organized by external institutions. In that year, the cumulative hours of legal-related training across the Company reached 913 hours, including a total of 84 hours for all directors, 30 hours for the corporate governance senior manager, and a total of 799 hours for employees. This represents a significant increase of 29.14% compared to the previous year in terms of total hours of legal-related training. Regular assessments of policies and procedures are conducted to confirm that all operations and management regulations comply with the latest regulatory requirements. Moreover, subsidiaries establish compliance personnel or assign compliance responsibilities to their parent company based on various factors such as employee structure, management framework, legal risk level, and shareholding ratio.

Furthermore, First Steamship explicitly states its integrity management policy in its regulations and external documents, along with a commitment from the Board of Directors and management to actively implement this policy. This commitment is effectively executed in internal management and business activities. Additionally, our shipping operations comply with international safety management regulations, with each vessel equipped with an effective safety management system. These various measures strengthen compliance management and enhance overall risk response capabilities.

Moreover, while maintaining normal operations and pursuing maximization of shareholder interests, we also pay attention to compliance issues related to environmental sustainability and labor rights. To expand our influence and encourage our supply partners to respond to compliance matters and implement corporate sustainability practices, we evaluate whether our supply partners have significant violations related to local environmental and labor rights before engaging in business transactions. We also take care to avoid transactions that conflict with our corporate sustainability policies. We consider the potential significant negative impacts of procurement activities on the local environment and society. Therefore, we plan to require new suppliers, or when renewing contracts with existing suppliers, to sign a declaration stating their commitment to comply with both parties' corporate sustainability policies. If suppliers violate these commitments and cause significant harm to the local environment and society, First Steamship reserves the right to terminate or rescind the contract at any time. Additionally, for our department store operations, we have currently incorporated integrity management clauses into contracts with consignment vendors, explicitly stating that if vendors violate our integrity clauses, the Company has the right to terminate the contract and seek compensation for related losses.

Finally, to enhance the Company's compliance environment, First Steamship has established various channels, including internal audits, a whistleblower mailbox, and a contact area on the official website, allowing stakeholders to timely express any concerns regarding illegal activities by company employees.



1.6 Economic Performance

The Company's economic performance determines how internal resources should be effectively allocated and is a key factor influencing the realization of the Company's short-, medium-, and long-term goals, as well as its sustainable operations. Strong economic performance not only generates profits for the Company but also protects shareholders' rights, enhances employee welfare, and creates shared value for society. Thus, it has always been a significant concern for the stakeholders of First Steamship.

First Steamship has corresponding management mechanisms for its various business entities. In terms of investments, the Company analyzes and optimizes its existing investment portfolio based on the overall economic situation and group resource conditions, making timely adjustments to investment targets. This approach assists the invested companies in strengthening their operational performance while seeking the best allocation of investment risks and returns. The Company is committed to continuously enhancing investment performance and managing asset scale, gradually improving long-term investment outcomes. Drawing on years of accumulated investment development and business experience, we develop investment projects while appropriately raising funds and increasing credit scale to expand asset management, seizing market opportunities and trends to enhance shareholder returns.

Second, regarding ocean transportation, First Steamship operates in the international bulk shipping services sector, with routes covering major ports worldwide. By employing a flexible schedule through voyage charter operations, it enhances operational efficiency. We operate high-quality bulk carriers that meet international standards, and through regular inspections and maintenance, ensure these vessels maintain optimal performance. This not only reduces operating costs but also enhances maritime safety and strengthens our market competitiveness. To respond to market fluctuations and maintain stable cash flow, the company primarily adopts time charter or long-term chartering strategies to secure expected revenues throughout contract periods, while continuously monitoring market trends and adjusting its operational strategy as appropriate. Upholding a professional and responsible management approach, First Steamship is committed to vessel management and leasing operations. By leveraging an experienced management team that enforces rigorous maintenance and inspection protocols, the company minimizes additional costs arising from unexpected incidents. In recent years, revenue from maritime operations has demonstrated steady growth.

The shipping market faces multiple economic challenges, including imbalances between capacity supply and demand, as well as a slowdown in global economic

growth. Potential navigation restrictions at the Panama Canal and Suez Canal could lead to transportation delays and reduced shipping capacity, temporarily driving up freight rates. However, the introduction of new vessels may exacerbate oversupply in the market, further increasing volatility in freight rates. Moreover, changes in global demand for raw materials and the promotion of environmental regulations will also influence the development trends of the shipping market.

Competitive Advantages of the Marine Transportation Business

Professional Management Team

- The management team all have complete academic backgrounds and working experiences in the shipping industry and has accumulated extensive exposure and maritime expertise over the years, which enables them to effectively anticipate market dynamics and stably operate the bulk cargo business with lower operating costs, thus helping to enhance the competitiveness of the Group's fleet in the market.

The Fleet of Vessels are All of the Mainstream Types in the Market

- The Group's fleet currently consists of 11 vessels of Kamsarmax, Supramax and Handysize types with an age of about 6~11 years, which can operate in different markets with different cargoes and port requirements.

Low Vessel Operating Costs

- Vessels' maintenance, crew, supplies and spare parts are managed by the Company's team, and there are long-term suppliers in some areas, so the operating costs are lower than average in the market.

Development Plans for the Marine Transportation Business

Short-Term Plans

- Enhance electronic management of vessels to improve operational performance.
- Strengthen the professional skills training of crew and shore management, improve ship safety management, and reduce operational risks.
- Adapt to new environmental regulations and adjust operational models.

Long-Term Plans

- Expand bulk carrier businesses for both self-owned and chartered vessels.
- Promote ship management business and steadily increase operating revenues.
- Establish an efficient ship management system to lower operational costs.
- Develop intelligent vessels that electronically coordinate maritime information collection, monitoring, and analysis between ships, shore, and ship-to-shore. This integrated operational model will strengthen navigation and related services, enhancing maritime safety, security, and the protection of the marine environment.

Additionally, in the department store sector, the current Chinese consumer market is unlikely to return to a thriving state in the short term, as consumer habits remain in a passive engagement stage. Online consumption continues to grow at a multiple rate compared to offline consumption. From this, it can be inferred that the shift in consumer priorities from "cost-effectiveness" to "quality-to-price ratio" reflects the current slump in the consumer market.

In 2025, the Grand Ocean introduced the operational theme of "Following the trend. Driving both online and offline wheels. Acting in response to the situation. Focusing on dual-direction retail experiences." We require all stores to provide consumers with comprehensive shopping services by aligning with market trends and consumer needs, adhering to the principle of "online traffic generation and offline experience." Market expansion is being steadily advanced through the dual-wheel drive of online and offline integration. Meanwhile, we continue to innovate, optimize our brand lineup, and actively introduce emerging formats and brands to achieve the goal of integrating retail and experiential offerings.

The current downturn in China's consumer market has yet to improve. Consumers are increasingly prioritizing product quality, experience, practicality, and value. This places higher demands on physical retail businesses to adapt and meet these evolving expectations. To address this challenge, we need to adjust our business philosophy. This involves conducting in-depth research on consumer behavior and psychology, understanding their personalized and diverse needs, and fully leveraging tools such as big data and AI technology. Additionally, we must strengthen membership management by implementing meticulous management and precise marketing strategies. Meanwhile, online and offline channels should complement each other to fully leverage talent, actively cultivate professionals, and drive the Company's innovation and progress. Here are the development strategies tailored to the current situation:

(I) Strengthening online and offline membership management

The Grand Ocean has always adhered to a "customer-centric" business philosophy, accumulating a wealth of membership resources over the years through consistent efforts. By leveraging big data and AI technology to analyze consumer shopping behaviors and habits, we can implement targeted marketing strategies to meet their personalized and diverse needs, thereby achieving precise marketing execution.

In terms of membership management, we utilize data analysis to gain deeper insights into member needs. Based on this understanding, we design a variety of membership activities, such as monthly fixed member-day events and high-value points redemption for popular products or services. Additionally, traditional offline promotional channels can no longer meet

current demands. Therefore, it is essential to proactively utilize multiple online and offline channels for event promotion, encouraging active participation from members.

The Grand Ocean's Borderless Retail Business Unit is committed to expanding online sales channels. It aims to broaden the scope of online promotion and actively establish strategic collaborations with major online platforms to compensate for the shortcomings of offline sales.

(II) Fully advancing investment promotion, adjustment, and upgrading efforts

Adjustment and upgrading have become essential pathways for the retail industry to adapt to consumer changes and address competition. In 2025, the Grand Ocean focuses on advancing the investment promotion efforts for Qianshu Phase I and II, the Grand Ocean Center in Wuhan, and the second store in Fuzhou. Target brands are precisely positioned based on factors such as the city's economic level, consumer habits, and population structure. This strategic approach ensures alignment with local market dynamics and consumer preferences. For example: In Shanghai, where consumption is diverse and premium, industries focusing on quality and experience, such as children's services and fashionable sports formats, can be introduced. In Wuhan, characterized by high consumer vitality and an emphasis on cost-effectiveness and trends, high-value brands, trendy domestic goods, and internet-famous dining options could be suitable additions. In Fuzhou's developed commercial districts, brands with quality assurance and local specialty dining options is necessary. In 2025, our goal is to reduce the vacancy rate to below 10%, providing strong support for the stable development of the group.

(III) Streamlining operations to enhance efficiency

Streamlining operations are key measures for improving efficiency, lowering costs, enhancing flexibility, and service quality, which contribute significantly to business development and meeting market demands. In 2025, the Grand Ocean further optimizes store personnel structures and strictly control redundant. At the same time, hierarchical responsibilities are refined for detailed management, and the team of management-level cadres undergoes comprehensive review and optimization. A "promotion and demotion" assessment mechanism is implemented, setting clear rectification deadlines for underperforming departments or individuals to enhance overall management efficiency.

Additionally, building on the successful experience of the OA system's time-limited approval process, we regularly gather employee feedback on the system. Based on this input, we address issues such as cumbersome procedures and lengthy approval times. The approval process

is streamlined, response times is shortened, and overall work efficiency is improved.

(IV) Enhance talent development and improve the reward system

The Grand Ocean will further enhance talent development by breaking conventional employment mechanisms. It aims to identify employees with exceptional talents and potential, adopting an open-minded approach to selecting and nurturing talent. To ensure that talents can maximize their value in suitable roles, outstanding employees shall be provided with promotion opportunities or the right to participate in key projects, without being restricted by qualifications or educational background.

Meanwhile, the talent reward system is being improved, further advancing the implementation of the comprehensive goal accountability system. This system, which has been in place for over two years, has achieved remarkable results. In 2024, despite the impact of the broader environment, only a few stores successfully earned bonuses. By the same reasoning, as long as the goals are achieved, we are willing to provide employees with greater rewards. In 2025, we will further optimize the evaluation system. Responsibilities will be specifically assigned to department managers and floor supervisors, with monthly evaluations being reinforced and effectively implemented. If the targets are not met, the group will assist in analyzing the issues and formulating improvement strategies. However, those who show no progress after receiving support will be eliminated.

Competitive Advantages of the Department Store Business

Prime Geographical Locations

- Grand Ocean stores are primarily located in bustling second- and third-tier cities with mature commercial atmospheres. Some stores are directly connected to metro underground passages, allowing them to attract significant foot traffic, which is crucial for the Company's operations.

Rich Experience-Oriented Offerings

- In response to evolving consumer demands, Grand Ocean continually adjusts and upgrades its stores, consistently introducing new formats. Currently, experience-oriented offerings account for nearly half of the total operating area of the group, transforming the malls into consumers' third living spaces. They serve as venues for social interaction and entertainment, allowing customers to enjoy time with family and friends while shopping.

Established High-Quality Brand Image and Customer Base

- Grand Ocean has operated in renowned commercial areas such as Nanjing's Xijiekou and Wuhan's Jiangnan Road Pedestrian Street for over 20 years. Despite recent challenges posed by the pandemic, the Company has continued to expand, opening Grand Ocean Qianshu along the Suzhou River in Shanghai in 2021 and Grand Ocean Center in Wuhan's area in 2024. The Grand Ocean brand has earned the trust of consumers, and its long-established reputation and image attract and retain numerous quality members.

Development Plans for the Department Store Business

Short-Term Plan.

- Continue to enhance both software and hardware; improve training content to implement consumer service with empathy, providing thoughtful shopping spaces for customers and creating a warm shopping environment.
- Innovate new consumer thinking, expand online sales, enhance various service offerings, actively improve the business environment, and elevate service quality to increase VIP loyalty.
- Continuously promote digital media marketing on social platforms while exploring emerging online interactive services and expanding various mobile payment mechanisms to deepen consumer engagement.
- Focus on core business operations, gradually implementing upgrades to traditional department stores, concentrating on enhancing consumer services, improving internal controls, and ensuring operational efficiency.
- Expand the electronic checkout system and the issuance of electronic invoices, offering consumers a more diverse and convenient checkout experience. By replacing manual reconciliation with technology, we can reduce labor costs in the short term, attract customers, and achieve long-term advantages by enhancing operational performance and lowering operational expenses.

Long-Term Plans

- Deepen existing markets to maintain consumer loyalty towards Grand Ocean Retail Group.
- Adjust brand structure and enhance brand positioning to provide high-quality hardware and software services.
- Continue to expand into new markets to increase market share and brand influence.
- Increase e-commerce initiatives to promote a high degree of integration between online and physical store shopping experiences, as well as service industry diversification; providing a simple, convenient, and refined shopping experience.
- Utilize Grand Ocean's resources and platforms to conduct management outsourcing and industry investments, exploring new profit growth points.
- Actively cultivate professional talent to sustain the group's competitiveness.

In response to future global economic changes and market fluctuations, we will take a cautious approach by strengthening operational cost controls and reducing unnecessary expenditure. Ship operations will be conducted according to the most advantageous models while continuing to expand department store businesses. We firmly believe that a well-strategized, diversified operation is the driving force behind the Company's profits, progress, and growth!

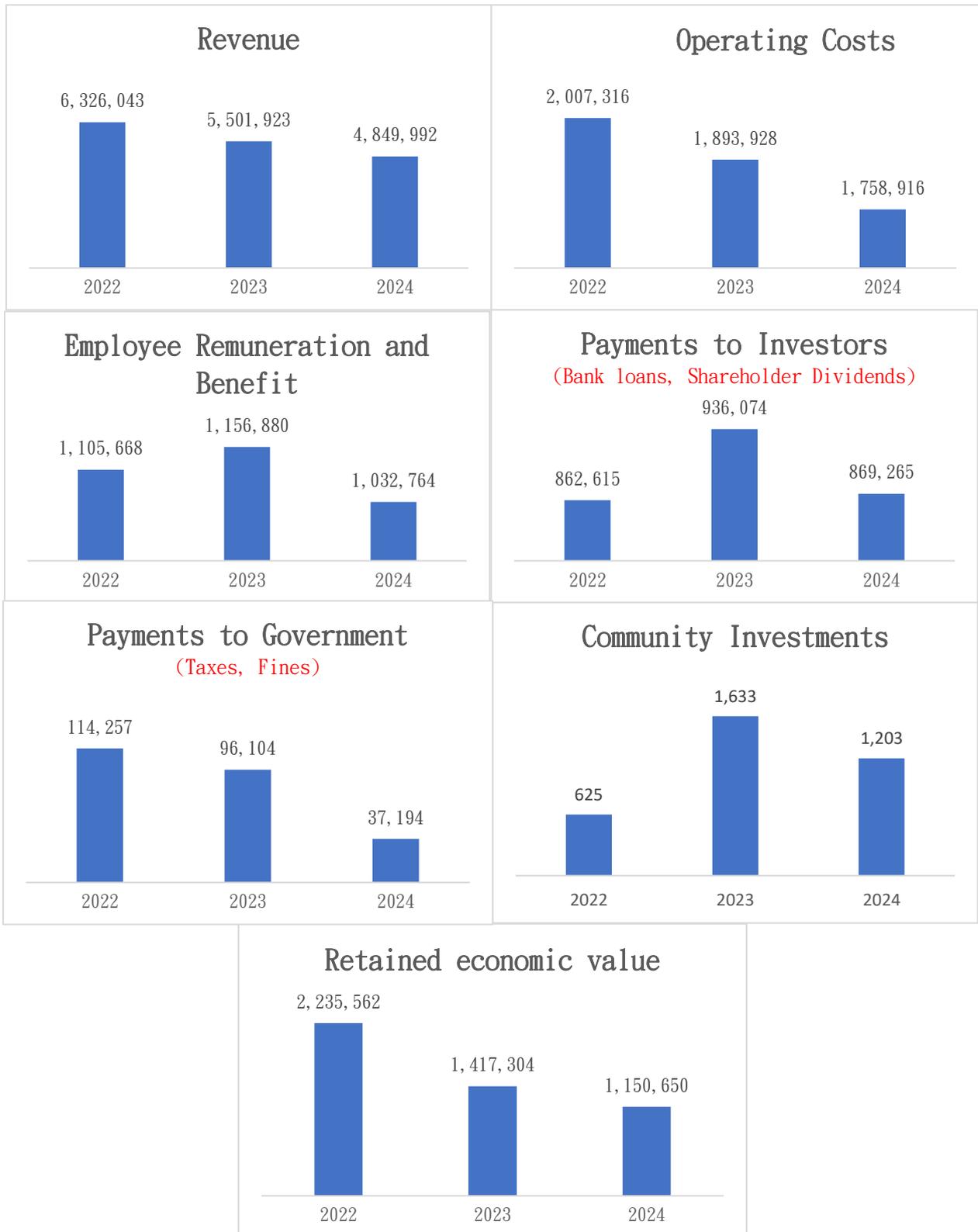
Responsible Department/ Reporting Mechanism

- Responsible Departments: Investment Department, Shipping, Grand Ocean Department Store
- Reporting Mechanism: Official website/ Stakeholder area (https://www.firsteam.com.tw/investors_info.html)

Annual Operational Performance

- Investment: In response to the nearing end of the interest rate hike cycle by major global central banks and the outlook for future economic conditions, First Steamship timely adjusted its equity and bond asset allocation in 2023. The Company implemented a robust investment strategy to balance volatility risks with investment performance, aiming to enhance long-term shareholder returns.
- Marine Transportation: Throughout the year, there were 81 shipping voyages, and the rental income from chartered vessels contributed significantly to the Company's overall revenue.
- Grand Ocean: The total annual operating revenue amounted to NT\$(3,234,915) thousand, with a net profit before tax of NT\$(447,575) thousand and a net profit after tax of NT\$(511,891) thousand, resulting in an earnings per share (EPS) of NT\$2.62.

Unit: NT\$ Thousand



1.7 Cybersecurity

Policy	<ul style="list-style-type: none"> ● In compliance with government regulations and referencing the ISO 27001:2013 cybersecurity Management System framework, First Steamship has established a PDCA (Plan-Do-Check-Act) management cycle based on the Company's needs. This approach aims to strengthen the management of information and communication security and ensure that the confidentiality, integrity, and availability of the Company's information assets meet both regulatory requirements and the Company's needs, mitigating risks from internal and external threats, whether intentional or caused by natural disasters.
Goals	<ul style="list-style-type: none"> ● Establish a robust information security framework to enhance information collaboration and defense. ● Cultivate awareness of information security and improve safety alerts.
Responsible Department/ Reporting Mechanism	<ul style="list-style-type: none"> ● Responsible Department: Information Department <ul style="list-style-type: none"> ➢ Designated Supervisor: Vice President of General Administration ➢ Designated Personnel: One managerial supervisor and one senior information engineer ● Reporting Mechanism: Department extension numbers.
Cybersecurity Training for the Year	<ul style="list-style-type: none"> ● The cybersecurity managerial supervisor participated in the full 16-hour ISO 27001 training and successfully passed the examination to obtain the ISO 27001 certification. ● In October, a lecturer from the Taiwan Corporate Governance Association was invited to conduct a 3-hour training session titled "ESG Corporate Sustainability: Cybersecurity Governance Strategies for Listed Companies," with 38 participants. ● In December, personnel from various departments attended a 1-hour "cybersecurity Seed Education and Training Promotion Meeting," with 15 participants.
Cybersecurity Meetings for the Year	<ul style="list-style-type: none"> ● Four cybersecurity meetings were held in June, October, and December, chaired by the Vice President of General Administration, where the information department's managerial supervisors and senior engineers presented the implementation details of cybersecurity initiatives.

First Steamship's designated cybersecurity supervisor led a team to conduct a cybersecurity risk assessment, which included the following steps: First, review the overall cybersecurity status of First Steamship. Based on past cybersecurity issues raised by stakeholders, industry concerns, and the latest cybersecurity trends, the team initially selected cybersecurity topics closely related to First Steamship. Then, the topics were evaluated for likelihood and impact based on confidentiality, integrity, and availability. Finally, two significant cybersecurity risks were identified: digital cybersecurity risk and general data protection regulation risk. Strategies and management actions were proposed for each risk for subsequent control. During the year, First Steamship did not experience any significant cybersecurity incidents that resulted in operational disruptions or financial losses.

Cybersecurity Risks	<ul style="list-style-type: none"> ● Digital Cybersecurity Risk ● General Data Protection Regulation
Risk Response	<ul style="list-style-type: none"> ● Regular quarterly firmware updates enhance protection and replace outdated software to establish a comprehensive information system security framework, including firewalls, data centers, network equipment, network connections, and personal information device management, ensuring effective data protection. <ul style="list-style-type: none"> ➤ Send a firewall report daily; check cybersecurity event log of the previous day; examine and analyze the state of alert events. ➤ Raise cybersecurity awareness of employees, and require them not to click on an e-mail of unknown sources or download files of unknown sources. ➤ Back up the results every day and mail them to cybersecurity personnel to check relevant progress. ➤ Set up a firewall and back up data every month. ➤ Monitor the state of the computer room every day, e.g., temperature control, examination of indicator light, stable power supply, and access control on personnel. ➤ Monitor the status of network connection and e-mail exchange to ensure normal operation. ➤ Every employee has executed an Undertaking of Confidentiality, which prohibits employees from taking business materials out of the Company, visiting an illegal website, installing software other than that of the Company, or attaching storage device. As of 2024, all 45 employees required to sign have signed. ● We strengthen the education and training in personnel's cybersecurity awareness, and conduct timely cybersecurity -related information announcements and promotion through various channels in order to raise employees' awareness of Cybersecurity. <ul style="list-style-type: none"> ➤ The information department personnel shall participate in relevant training activities or seminars held externally to learn cybersecurity protection mechanism and the latest cyber security attack patterns and cybersecurity protection energy. e.g., Cybersecurity awareness sessions held by the competent authority, Cybersecurity management courses organized by external professional institutions. ➤ The Information Department holds awareness sessions on cyber security to communicate the importance of cybersecurity and the musts and must-nots. ➤ The Information Department presents cybersecurity incident cases to all employees, to acquaint them with signs of cyber security risks and improve their cybersecurity literacy. ➤ The Information Department plans to implement social engineering drills in 2025, with three sessions scheduled annually to enhance staff awareness of information and cybersecurity. Personnel who violate information and communication security alerts will undergo information and communication security awareness training. ➤ The Information Department also plans to implement a software policy whitelist in 2025 to reduce the risk of accidental use of programs containing vulnerabilities or copyright issues due to human error.

II. Customer Service

First Steamship prioritizes customer relationship management, focusing on understanding the actual needs of our clients. We recognize that product and service quality are key concerns for our customers, from health and safety management to the protection of customer privacy. We spare no effort in establishing comprehensive management systems and educating our employees to provide heartfelt service and the safest products. Our commitment is to create a brand image centered on health and safety to earn the trust of our customers.

2.1 Health and Safety Responsibilities

Customer health and safety have always been our top priorities. Whether it is the leasing of vessels in marine transport, or the commercial spaces managed by Grand Ocean, we are committed to effectively managing and testing the services and products we provide. We rigorously ensure that every detail is carefully monitored to guarantee the health and safety of our customers. The relevant management measures are detailed in this report, as it is our responsibility to ensure that customers can confidently use the services and products we offer.

2.1.1 Voyage Safety Assessment

Management Approach	<ul style="list-style-type: none"> ● Ensure that the Company and all vessels comply with international safety management regulations and obtain the corresponding certifications. ● Conduct regular safety training, drills, and exercises onboard, and provide training records and photographs. ● Ensure that all onboard facilities are properly maintained and in a safe condition for use. ● Maintain unobstructed communication between the ship and shore to enable timely intervention in any situations encountered during navigation.
Responsible Department/ Reporting Mechanism	<ul style="list-style-type: none"> ● Responsible Departments: Safety Management Department, Engineering Department ● Reporting Mechanism: FSSA@firsteam.com.tw
Evaluation System	<ul style="list-style-type: none"> ● Compliant with the International Safety Management (ISM) Code, each vessel has obtained a Safety Management Certificate (SMC), and all vessels also maintain their International Ship Security Certificates (ISSC) within the validity period. ● The most recent audit was conducted by the Nippon Kaiji Kyokai (ClassNK), in 2023, resulting in the issuance of a Document of Compliance (DOC).

First Steamship primarily leases its vessels through time charters or joint ventures for transporting international dry bulk cargo. The lessees are well-established ship owners or cargo owners with high creditworthiness. To ensure that customers feel secure using our vessels, that our crew can work confidently, and that cargo can be safely delivered, First Steamship places great emphasis on the safety management of its navigation.

Voyage Safety Policy

Ensure the Safety of Lives and Property	Maintain the Safe Operation of Vessels	Establish Emergency Response Procedures
<ul style="list-style-type: none"> • Provide a safe working environment for ship operations and crew safety. • Continuously enhance the safety management skills of both onshore and onboard personnel, including emergency preparedness for safety and environmental protection. 	<ul style="list-style-type: none"> • Implement protective measures for all identified hazardous tasks. 	<ul style="list-style-type: none"> • Review vessel safety assessments, develop, and conduct drills for onboard emergency plans.

The goal of safety management is to ensure the safety of maritime navigation, prevent injuries or fatalities, avoid environmental damage, and prevent property loss. First Steamship has established a safety management policy to build a robust safety culture, requiring all active vessels to comply 100% with international maritime safety conventions. Regular crew training is conducted to improve professional skills, raise safety awareness, and reduce human error. Additionally, outdated vessel equipment is replaced, and active ships undergo regular inspection and maintenance. They are equipped with navigation, safety alarm systems, and emergency equipment. In dangerous sea areas, international armed security is hired to enhance navigational safety. The safety of customers' cargo and employees remains the top priority for First Steamship.

Goals

Safety Arrival Rate: 100%

- In 2023, First Steamship and Grand Ocean completed a total of 80 voyages, achieving a 100% safety arrival rate.

Compliance with International Safety Standards

- Complied with the International Safety Management (ISM) Code and obtained the Safety Management Certificate (SMC) and the International Ship Security Certificate (ISSC).

Comprehensive Training Programs

- Achieved a 100% training completion rate for crew members in accordance with the training procedures manual.
- Conducted monthly onboard emergency drills.

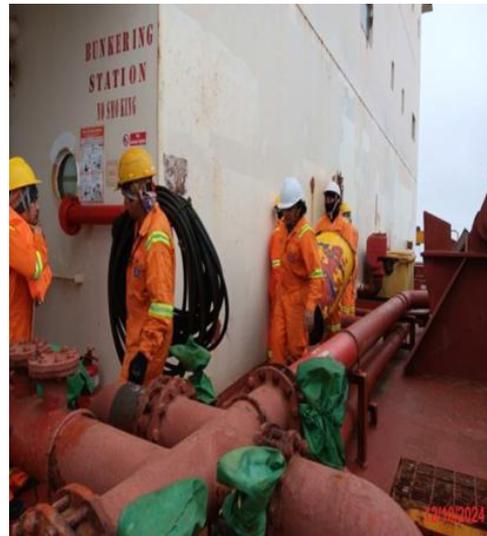
Free-Fall Lifeboat Drill



First Aid Drill



Shipboard Oil Pollution Emergency Plan



Fire Drill on Board

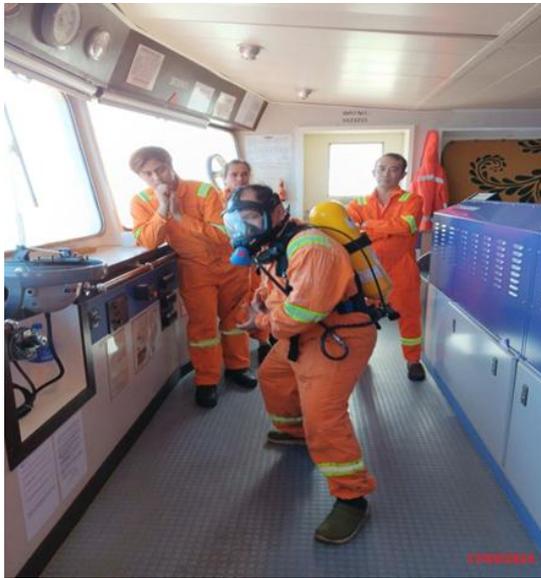


Electrical System Failure Drill





Onboard Training



- **Ship Maintenance**

As of the end of 2023, First Steamship's fleet consisted of 11 vessels in operation, which undergo dry-dock maintenance and inspections every two to three years. Routine maintenance is also performed onboard as needed, comprising 5 Kamsarmax, 2 Handy, and 4 Supramax vessels. The vessels undergo regular inspections by the Nippon Kaiji Kyokai (NK), and have obtained safety certificates issued by the classification society.

- **Compliance with International Maritime Conventions**

All mandatory international conventions, regulations, and relevant documentation on board are continuously updated in accordance with circulars or maritime laws issued by the flag state government. Strict adherence to the International Safety Management (ISM) Code is maintained to enhance onboard safety, create a secure working environment, and ensure that incidents and accidents are properly recorded and relevant information preserved. The vessels are in full compliance with international safety management regulations, holding both the Safety Management Certificate (SMC) and the International Ship Security Certificate (ISSC). Additionally, the Company has received the Document of Compliance (DOC) from the classification society after verification by their appointed inspectors.

Shipping Safety Knowledge

- The International Safety Management Code (ISM Code) provides guidelines for shipping companies and their crew, both onshore and onboard, to ensure that vessels and companies operate according to the standards of the International Convention for the Safety of Life at Sea (SOLAS). It emphasizes that safety is non-negotiable and includes pollution prevention measures. According to the ISM Code, which is incorporated into Chapter IX of SOLAS, a Document of Compliance (DOC) can only be issued to a company and a Safety Management Certificate (SMC) to its vessels if the Company has a verified Safety Management System (SMS) in place for all its ships.
- To safeguard the safety of vessels, crew, and passengers, each ship must establish a security plan. The ship must undergo verification to ensure it complies with the requirements of SOLAS Chapter XI-2 and the 2003 International Ship and Port Facility Security (ISPS) Code. Ships that meet these standards are issued an International Ship Security Certificate (ISSC).

- **Professional Training and Education**

Pre-departure training is intensified and completed in accordance with the training procedures manual. Crew members are required to undergo specialized technical training based on their duties to ensure they fully understand the operational standards, safety management systems, and relevant conventions.

- **Employee Operating Standards**

To implement the safety management system, procedure manuals are developed following relevant regulations, international codes, and protocols. Where possible, plans and execution guidelines are also created. The captain is responsible for documenting any deficiencies related to safety operations, conducting investigations into accidents, and analyzing the causes. Twice a year, in June and December, a Management Review Report is completed, which includes recommendations for improving the Company's safety management system. A copy of the report is submitted to the Company's Safety Management Representative for review and improvement. If the port state authorities identify any deficiencies during inspections, immediate corrective action should be taken in accordance with the "Corrective Action Implementation" procedure, with results promptly followed up and verified.

- **Reducing Climate Risks**

First Steamship and Grand Ocean vessels are equipped with meteorological navigation systems, and experienced captains collaborate with onshore personnel who continuously monitor and report weather information. This teamwork helps minimize risks to the greatest extent.

- **Implementation of Digital Form Systems**

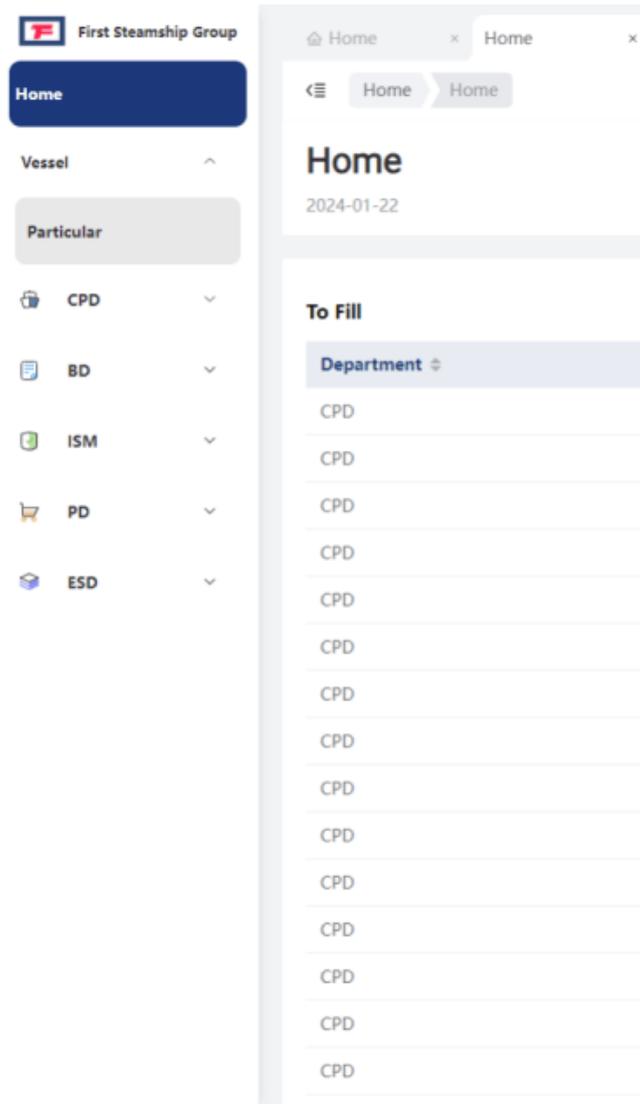
Digital ship management is an information system designed to manage vessels, crew, and fleet operations. Utilizing this system enables the Company to handle management, control, and oversight more efficiently and productively.

Six Key Benefits of Digital Forms:

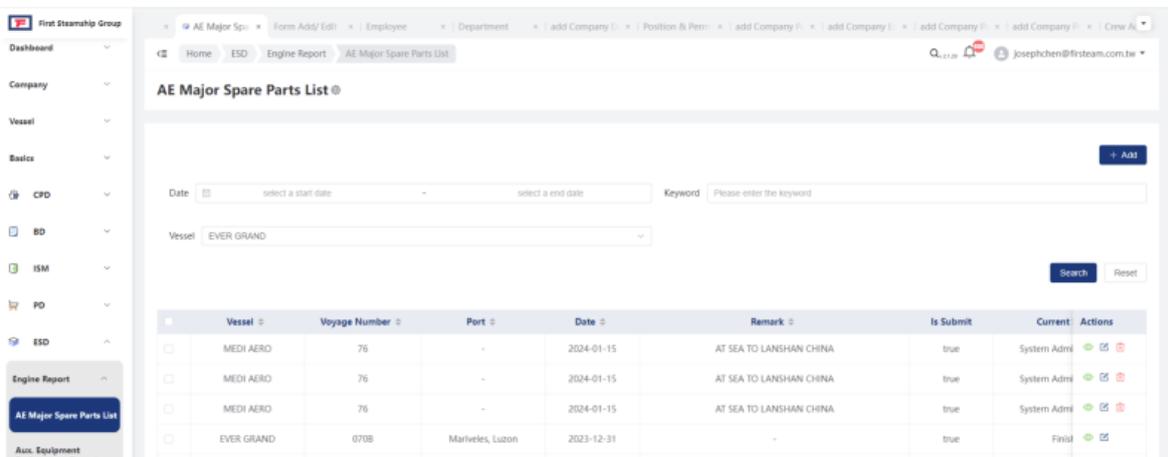
1. Reduces reporting time.
2. Decreases repetitive tasks.
3. Significantly cuts down on paper consumption.
4. Lowers the likelihood of human error.
5. Provides clear visibility into all tasks without the need to track sent or received emails.
6. Enhances business intelligence, preventing data silos.

Features Overview:

- Integration of forms from all departments



- In-system form search functionality



- Easy identification of form process status

No	vessel	Position	Date	Series No.	Is Submit	Status	Actions
1	EVER GALLANT	Ocean C	2023-06-17	GA-MSM-03	true	Completed	
2	EVER GALLANT	Ocean A	2023-06-14	GA-MSM-01	-	In progress	
3	EVER GALLANT	Ocean D	2023-09-14	GA-MSM-04	-	Rejected	
4	EVER GALLANT	Ocean B	2023-07-06	GA-MSM-02	true	Pending	

➤ Assignment of responsible personnel and approval processes

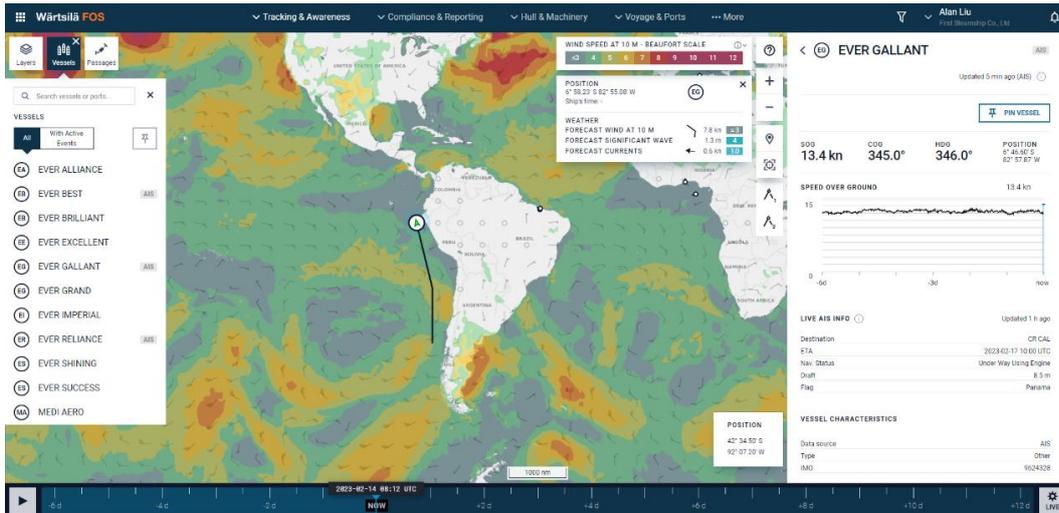
● **Automated System Equipment**

Each vessel is equipped with a Global Positioning System (GPS), Automatic Identification System (AIS), and Internal Ship Security Alert System (SSAS) to enhance both voyage safety and onboard environmental safety.

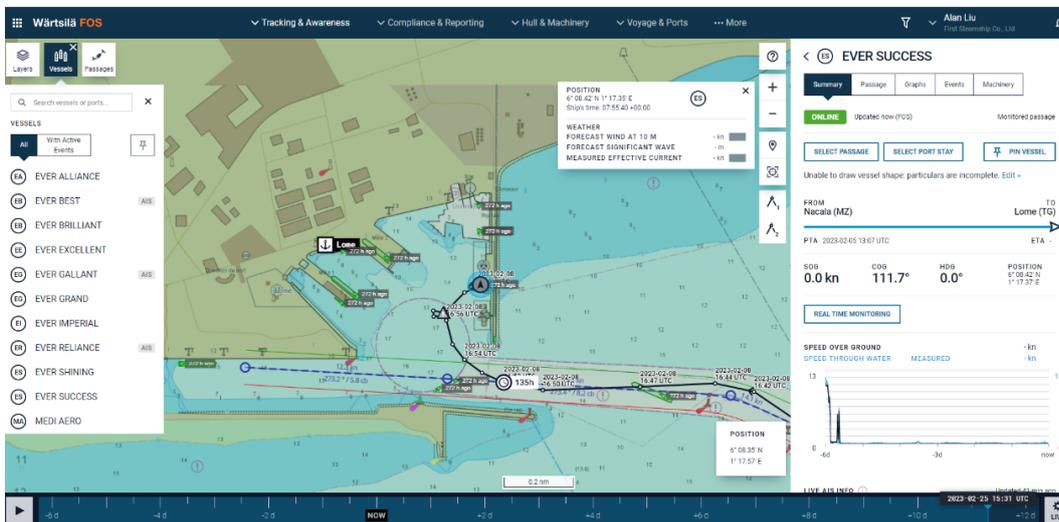
Through the Wartsila FOS system, crew members can automatically integrate weather conditions, hazards, and other factors between ports to complete route planning and continuously update the necessary chart indications for the route. Manual route adjustments can also be made if needed.

The Company can comprehensively monitor the fleet's costs, fuel usage, performance, and navigation status, achieving significant qualitative and quantitative improvements. Related features are illustrated as follows:

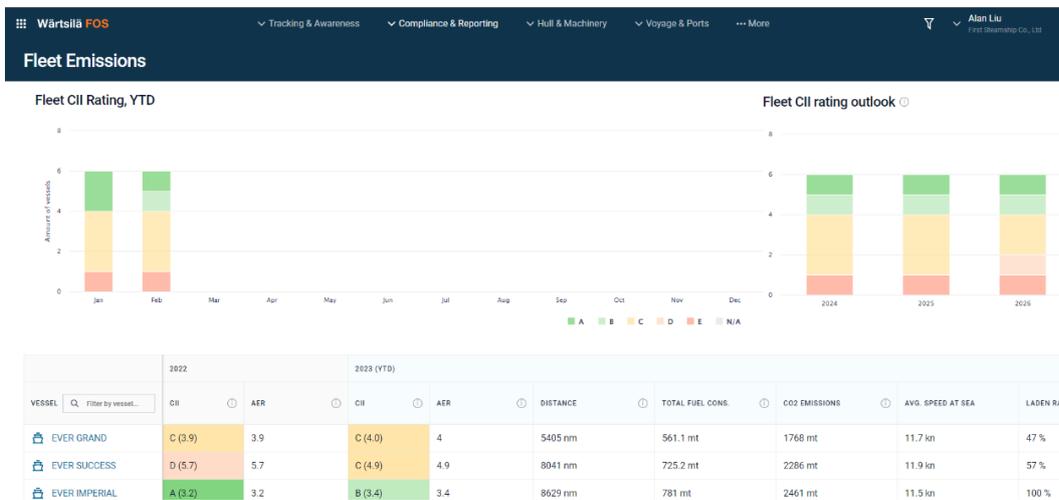
➤ Real-time navigation status



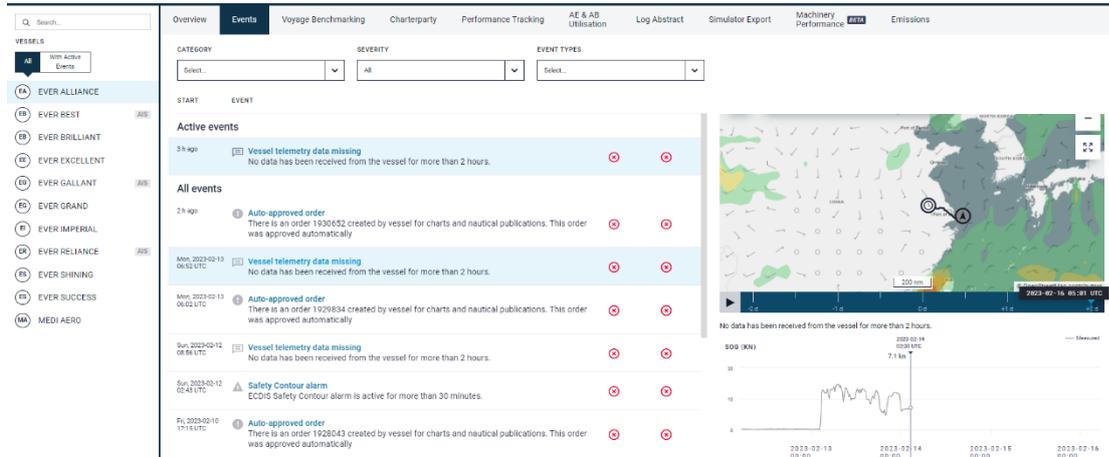
➤ Real-time port conditions



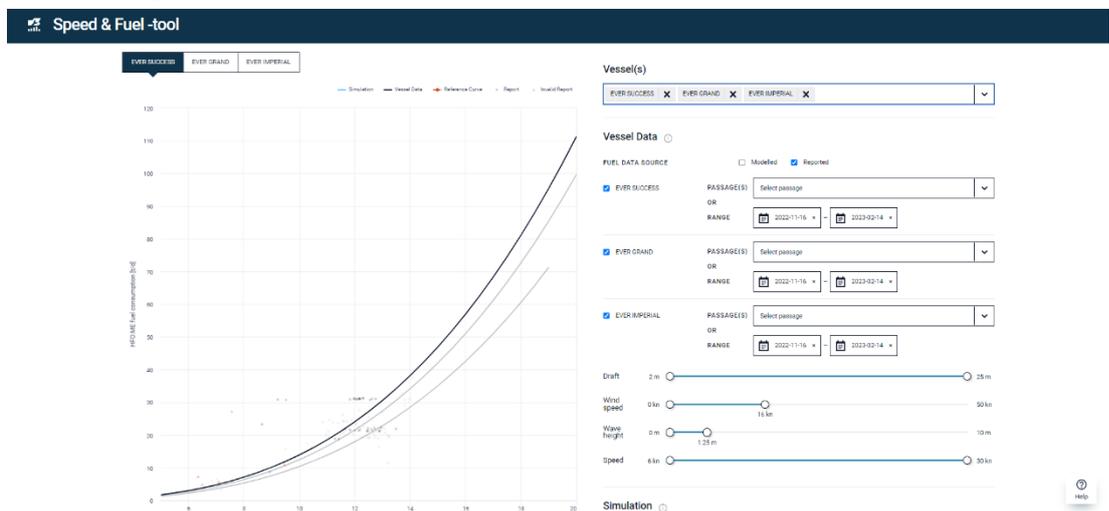
➤ Emission monitoring and CII calculation



➤ Vessel dynamic information and abnormal alerts



➤ Speed-to-carbon emission correlation curve



● Comprehensive Security Measures

First Steamship and Grand Ocean have implemented robust security measures that comply with ISPS (International Ship and Port Facility Security) standards. Vessels passing through high-risk areas employ international armed security personnel to protect both crew and cargo. Additionally, each vessel is equipped with emergency distress systems to ensure crew safety.

● **Emergency Response**

In alignment with ISPS standards, a comprehensive voyage security assessment is conducted to develop and implement a "Ship Security Plan" Monthly drills simulate emergency scenarios, including sudden incidents during voyages and piracy attacks, with reports submitted to onshore teams to enhance crew crisis awareness.

In the event of an unexpected maritime incident, the Company follows established procedures to convene relevant personnel, forming an emergency response team that prioritizes handling the incident over routine tasks. The captain must immediately report to the Company, the vessel's flag state, the Shipowner's Mutual Protection and Indemnity Association, and the insurance company, proposing corrective actions to prevent recurrence.

● **Response to Extreme Weather and Emergency Evacuation**

The Company has incorporated procedures for handling extreme weather and evacuation protocols into its standard operating guidelines. These include adverse weather conditions, dense fog, and ice regions. When such conditions occur, the on-duty crew must promptly inform the captain, who will then direct the chief officer to organize appropriate task teams according to the situation. The incident details and response process must be reported to the Company. Crew members are also required to regularly maintain life-saving equipment and conduct drills on operational procedures and first-aid measures to ensure readiness.

- When anticipating a storm, watertight doors, manhole covers, and ventilation ducts must be securely closed, and any movable items, materials, or tools must be properly secured.
- In dense fog conditions, additional lookout personnel should be deployed, and equipment such as radar, side-scan instruments, and foghorns should be activated. If necessary, the vessel should also reduce its speed.
- During navigation in ice-prone areas, the crew must constantly monitor ice warnings and take appropriate lookout measures to avoid collisions.

- **Insurance Compensation**

The fleet is insured annually for P&I (Protection and Indemnity) coverage. In cases of cargo damage or shortages during loading, unloading, or navigation that require compensation, First Steamship will promptly conduct an investigation to protect the rights of the shipowners. Additionally, H&M (Hull and Machinery) insurance is also covered; when incidents involving hull collisions occur, the insurance company will clarify the circumstances to share the shipowner's compensation responsibilities and mitigate losses. When navigating through war zones or high-risk areas for piracy that exceed the designated sailing limits, First Steamship opts for additional coverage to reduce loss risks.

2.1.2 Comfortable and Safe Department Stores

Grand Ocean Retail Group is committed to effectively managing and testing the services and products provided. We prioritize fire safety in our department stores by deploying personnel for daily inspections to prevent potential disasters. We place even greater emphasis on the health and safety of our food and beverage offerings. To ensure the health and safety of our customers, we assign staff to conduct daily inspections in accordance with relevant regulations, ensuring compliance with legal requirements.

Goals

Zero Fire Incidents	Compliance with Regulatory Requirements	Comprehensive System in Place
<ul style="list-style-type: none"> • Daily inspections of fire safety facilities, achieving zero fire incidents. • All employees participate in fire drills every six months. 	<ul style="list-style-type: none"> • 100% reporting rate on the local fire safety online system every day. • In 2024, there were no violations of fire safety and food safety regulations during local government inspections. 	<ul style="list-style-type: none"> • 100% compliance with the "Operational Inspection Process" across all branches. • Responsible personnel conduct daily inspections in accordance with the "Catering Management Inspection Standards," achieving 100% compliance.

- **Fire Safety**

Grand Ocean Retail Group adheres to the principle that the best service must be managed with the utmost care, insisting on providing customers with a safe shopping environment. Special emphasis is placed on the planning of fire safety facilities in department stores. The supervisors of the security and cleaning departments at all branches are required to log daily fire safety checks on the local fire safety network, reporting the status of fire safety facilities within the stores. To ensure customer safety, all employees participate in fire drills every six months to strengthen education on evacuation guidance and to practice using fire extinguishers and other equipment, thereby enhancing employees' awareness of safety precautions. The focus is on prevention, combining fire prevention and control to effectively manage fire sources, aiming for zero fire incidents and ensuring customer health and safety. In 2024, the Group conducted a total of 285 fire safety training sessions, 32 fire drills, 278 internal fire hazard inspections, and 158 fire safety inspections by government authorities across all stores

To maintain high-quality control over operations at each store, Grand Ocean Retail Group ensures that all branches strictly adhere to the "Operational Inspection Process." This process is led by the store managers, with the business-level management responsible for supervision and follow-up inspections. Floor supervisors conduct comprehensive inspections in three phases: before opening, during operations, and after closing. These inspections cover personnel management, store order, equipment and facility conditions, product management, counter status, and cleaning operations. This proactive approach enables quick identification and resolution of issues, presenting customers with the best, safest, and most comfortable shopping environment, ensuring they experience a premium shopping experience.

Fire Safety Inspections and Drills



The Grand Ocean Shanghai Qianshu in 2024 won the title of Advanced Fire Fighting Group in Putuo District



Before Opening

- Status of inspection personnel attendance is confirmed.
- Inspection of equipment and facilities inside and outside the venue.
- Responsible personnel conduct inspections of equipment and facilities in various specialized areas and back-of-house areas.
- Completion of cleaning both inside and outside the counters.

During Operations

- Responsible personnel on each floor conduct random checks on sales staff.
- Specialized personnel inspect the orderliness of dining counters during business hours.
- Inspection of cleanliness in the sales areas under their jurisdiction.
- Completion of inspection records for key fire hazard areas.

After Closing

- Specialized personnel and engineering staff inspect the dining counters for end-of-day wrap-up tasks.
- Each counter ensures the completion of basic sanitation cleaning after closing.
- Completion of inspection records for key fire hazard areas.

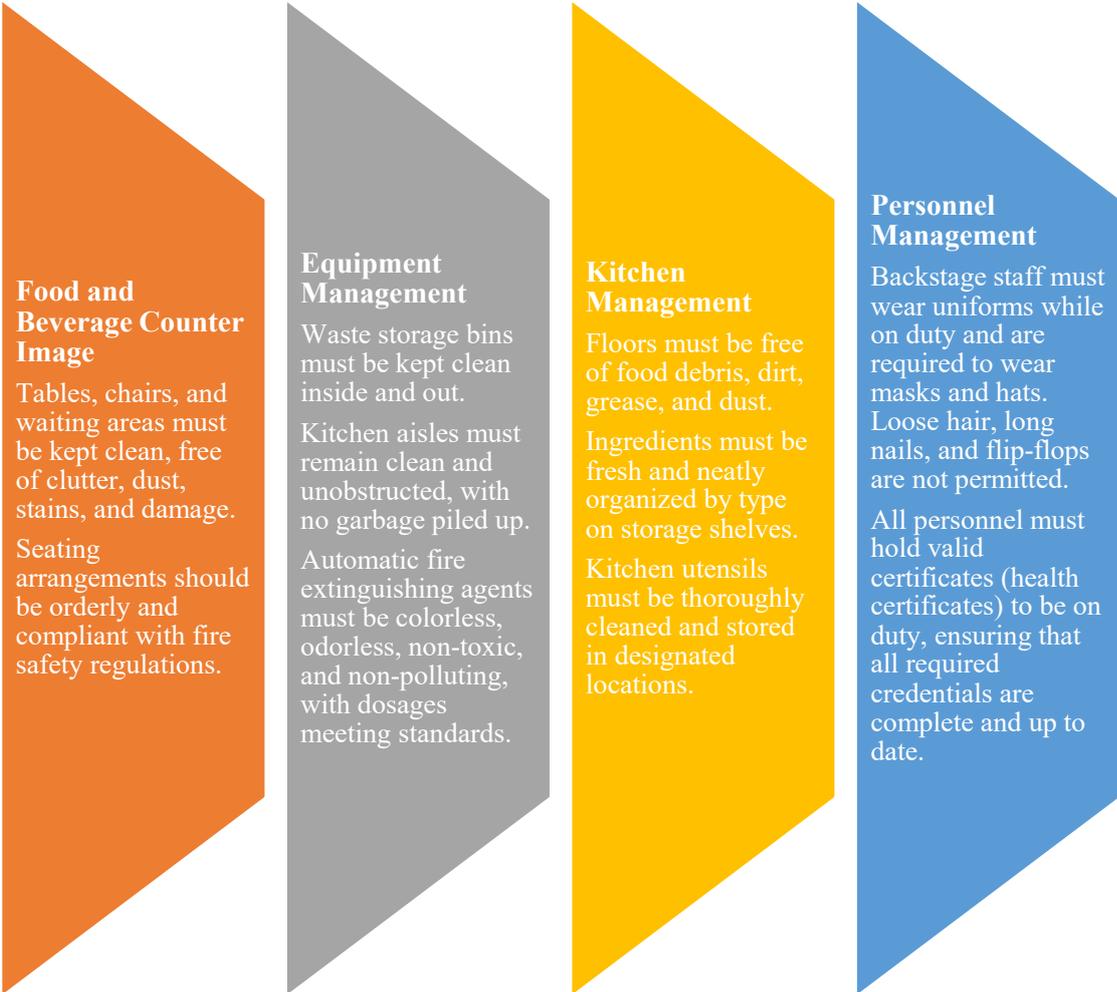
● **Food and Beverage Health**

Grand Ocean Retail Group is committed to consumer health by rigorously ensuring the quality of food and beverages. For every vendor providing food and ingredients in the shopping mall, we conduct thorough checks before their establishment, including verifying legal qualifications and product labeling compliance. After setup, we continuously monitor the freshness of ingredients and cleanliness in the kitchen. Daily inspections are carried out by responsible personnel in accordance with the "Food and Beverage Management Inspection Standards." Supervisors conduct unannounced checks before opening, during mealtimes, and after closing to ensure customer health and safety.

In addition to daily inspections, we increase safety checks before holidays, examining kitchen equipment for integrity and ensuring that fire exits are clear of obstructions to eliminate safety hazards. We also verify that kitchen hygiene meets sanitation standards and that ingredient reserves are sufficient to provide excellent service to customers.



Key Points of Food and Beverage Management Inspection Standards



2.1.3 Supplier Management

First Steamship is committed to sustainability practices among its suppliers. In line with the principles of the Responsible Business Alliance (RBA) Code of Conduct, First Steamship has established its Supplier Management Policy. This policy requires suppliers to maintain a healthy and safe working environment, uphold employee human rights, ensure compliance with environmental and labor regulations, and adhere to integrity and ethical standards while implementing relevant management systems.

Supplier Management

- The first stage suppliers must comply with the RBA Code of Conduct.
- First-tier suppliers must sign a declaration committing to uphold principles of integrity and maintain the quality of their supplies.
- First-tier suppliers are required to complete the "ESG Supplier Self-Assessment".
- An annual audit of first-tier suppliers (with ongoing transaction records) will be conducted using the ESG Self-Assessment Form to determine their compliance with the RBA Code of Conduct.
- First Steamship will hold annual meetings with first-tier suppliers to discuss audit results and provide training on the RBA Code of Conduct.

Management Performance for the Year

- Five ESG self-assessment forms were distributed to first-tier suppliers, and all five were returned, resulting in a 100% response rate.
- The ESG self-assessment forms for first-tier suppliers showed excellent results, with both the self-assessments and actual audit outcomes achieving top ratings. The average score exceeded 90, meeting First Steamship's requirements for suppliers.
- The 2024 audit operations will be conducted in February 2025.

Grand Ocean ensures that all types of contractors or suppliers involved in actual business operations have signed contracts. In terms of supplier management policies, suppliers are required to comply with relevant regulations on occupational health and safety, as well as labor rights, to ensure the fulfillment of contract objectives.

Management Approach	<ul style="list-style-type: none"> ● Retail tenants are required to focus on environmental protection, improve the quality of their products, and operate legally in compliance with relevant laws and regulations. They are also encouraged to prioritize human rights, integrity, and safe operations, and to take on social responsibility. Additionally, tenants are encouraged to continually improve and create retail spaces that align with modern consumer values, providing friendly and high-quality service.
Responsible Department/ Reporting Mechanism	<ul style="list-style-type: none"> ● Responsible Department: Boundless Retail Business Unit ● Reporting Mechanism: <ul style="list-style-type: none"> ➢ Group Headquarters Customer Service Phone (+86-21-60127800-151/152) ➢ Official Website Complaint and Suggestions Email: service@grandocean.com.cn
Evaluation System	<ul style="list-style-type: none"> ● Upon receiving a complaint, the Company assesses the severity of the incident and the subsequent improvement measures as one of the factors in determining whether to renew the contract with the concessionaire. ● External customer reviews from the WeChat Mini Program Mall.

Types of Suppliers	Policies and Management Systems	Objectives and Performance
Directly Operated Suppliers	Signed the "Distribution Agreement"	100% of contracts have been signed.
Jointly Operated Suppliers	Signed the "Joint Operation Agreement"	100% of contracts have been signed.
Leased Suppliers	Signed the "Lease Agreement"	100% of contracts have been signed.
Material and Construction Suppliers	Signed the "Procurement Agreement" and "Construction Contract"	100% of contracts have been signed.

2.2 Customer Relationship Management

Management Approach

- Grand Ocean Retail Group upholds the principle of "Customer First, Innovative Service" to provide a stylish, tasteful, and comfortable shopping environment with safety in mind. The Group continually innovates its operational model, expanding from physical stores to online shopping, introducing a variety of events, cross-industry collaborations, and integrating new brands and service methods to deliver a fresh shopping experience for customers. The Group ensures open communication channels to listen to customer feedback and constantly improves service approaches to maintain strong customer relationships.
- In recent years, Grand Ocean Retail Group has developed a new Membership Charter, consolidating the previously independent membership systems of individual stores into a unified group-wide membership program.

Responsible Department/ Reporting Mechanism

- Boundless Retail Business Division: WeChat Mini Program Mall
- Group Headquarters Customer Service Tel: +86-21-60127800-151/152
- Official Website Complaints and Suggestions Email: service@grandocean.com.cn
- Service counters are available in all stores.

Evaluation System

- Customer Complaint OA Process: In 2024, a total of 34 complaints were received across all stores.
- The WeChat Mini Program store has received an average customer rating of 4.6 out of 5.

Grand Ocean Retail Group, with years of experience in department store management, continues to enhance service quality and expand interaction channels. In recent years, it has earned consumers' trust, establishing a strong brand image and a loyal customer base.

We prioritize customer needs, starting from their requirements to continuously improve quality management, modernize retail spaces aligned with contemporary consumer concepts, and provide warm and thoughtful service. By listening to customer feedback and meeting their demands, we aim to attract more clients, build a comprehensive customer management system, and achieve the goal of sustainable business operations.

In 2024, the Group advanced its customer relationship management system by focusing on two key initiatives: digital transformation and expansion of membership benefits. This strategic effort has driven more refined services and a diversified

ecosystem, delivering consumers a more efficient, personalized, and sustainable shopping experience. Regarding member benefit enhancements, all stores are required to establish a fixed monthly member day. On member days, members enjoy a variety of exclusive benefits such as special discounts, priority purchase rights, and bonus points, greatly enhancing their sense of value and belonging. At the same time, the Group continues to enhance its precision marketing model within the WeChat mini-program membership system, leveraging in-depth mining and analysis of member consumption data to deliver more targeted marketing campaign promotions. In addition, the Group actively expands collaborations with external platforms. Collaborated with Meituan Dianping to successfully integrate membership systems and launched exclusive coupons for members on the Meituan Dianping platform, effectively expanding the reach of member benefits and attracting more potential customers to engage with and join the membership program. At the same time, Meituan's mobile charging stations were deployed in stores and integrated with the membership and points system, allowing members to redeem free charging time using their accumulated points. This initiative not only alleviates customers' concerns about low smartphone battery levels during shopping, but also further enriches the forms of member benefits and enhances members' overall shopping experience within the mall. Through these initiatives, Grand Ocean has continuously innovated and advanced its customer relationship management, enhancing consumers' shopping experience. While maintaining strong customer loyalty, the company has successfully attracted greater attention and new users, laying a solid foundation for the group's sustainable development.

2.2.1 Open Communication Channels

In the highly competitive retail industry, Grand Ocean Retail Group remains customer-centric, utilizing various channels to understand and listen to customer feedback. This enables us to continuously adjust and improve our service quality and product offerings. We have also established a comprehensive "Customer Complaint OA Process." In 2024, a total of 34 complaints were received across all stores, categorized into three types: service, product, and facility issues, all of which have been resolved.

Customer Complaint OA Process



Through both internal and external customer complaint channels, we gain insight into actual customer needs. The Customer Service department is dedicated to handling and responding to complaints, with a commitment to reply to on-site and phone complaints within three days. Every customer's opinion is taken seriously, and each issue is handled promptly and efficiently, demonstrating Grand Ocean Retail Group's commitment to continuous improvement.

Customer Complaint Channels

On-Site Complaints	Telephone/ Online Complaints	Third-Party Complaints
<ul style="list-style-type: none"> • Customers can report their concerns to the customer service center, where the respective department supervisor will coordinate on-site resolution. If on-site resolution is not possible, customer service will recommend that the customer fill out the "Grand Ocean Customer Feedback Form" and will provide a response within three working days. If the customer has no objections after the issue is resolved, the customer service team will record the outcome. 	<ul style="list-style-type: none"> • Customers can call the customer service hotline or file complaints online (via the official website or email). Customer service will document the complaint and provide a response within three working days. If the customer has no objections after the issue is resolved, the result will be logged. • Complaints via Online Mini-Program 	<ul style="list-style-type: none"> • Complaints made via third-party platforms, such as the Consumer Management Association, will be forwarded to Grand Ocean's customer service for handling. If the customer has no objections, customer service will record the outcome and notify the third-party platform, ensuring that the result is documented and confirming with the customer that the issue has been resolved.

2.2.2 Marketing Interactions

Grand Ocean Retail Group has extensive experience in sales, marketing strategies, store location selection, and operational management. In recent years, the company has placed greater emphasis on cultivating and promoting young managerial talent, further advancing the youthfulness and exceptional appointments within its headquarters staff and supervisory positions. Particularly, promising reserve executives selected from key universities over the years have been meticulously nurtured by the company and are now capable of independently assuming critical responsibilities.

To better serve customers, each store is located in bustling, well-established commercial areas with strong foot traffic. In 2018, two new business projects were launched: the Shiyuan Modern Shopping Center and the Jiaruixing Underground Commercial Street. On December 22, 2021, the Grand Ocean Shanghai Qianshu project grandly opened, marking a significant breakthrough for the group in expanding its presence in the domestic retail market, especially in first-tier cities like Shanghai. The project is positioned as a mid-to-high-end lifestyle destination, targeting trendy middle-class consumers in China. The leasing strategy focuses on bespoke and rare concept stores, national first stores, popular online brands, and innovative commercial brands with strong appeal. In addition, the project plans to host theaters, master art exhibitions, museums, and innovative bookstores, striving to become a hub for various innovative brands. On September 1, 2024, Grand Ocean Wuhan Center officially opened in grand style. The new store will serve as a new driver of revenue growth for the Group, enhancing its market influence and competitive advantage in Wuhan by delivering high-quality shopping experiences and diverse product offerings, establishing itself as a new landmark destination that attracts customers.

Grand Ocean Shanghai Qianshu





Grand Ocean Wuhan Center



At Grand Ocean's physical stores, in addition to optimizing brand portfolios, various activities are regularly held in collaboration with major brands during holidays. These activities are designed to meet consumer demands and feature themed events, creating an immersive atmosphere that enhances customer participation and experience, fostering stronger customer engagement and loyalty.



Grand Ocean Fuzhou Store Welcomes the Auspicious Arrival of Spring Festival with a Joyous Lantern Festival Celebration

At Grand Ocean Fuzhou Store No. 1, guests enjoyed lantern riddles, DIY lantern making, sugar painting, and hand-written name tags, along with captivating Hanfu performances, experiencing the joy of traditional culture and gaining deeper insight into its rich heritage.

Special Lunar New Year Event

At Grand Ocean Wuhan Guanggu Store, traditional intangible cultural heritage paper rubbings, hand-written Spring Festival couplets, sugar painting art, and candied haws on sticks create a festive atmosphere. On the first day of Lunar New Year, a vibrant lion dance performance brings good luck and blessings—this rich celebration is specially curated to delight Grand Ocean fans. Lantern-making activity for the Lantern Festival, "A Spring Festival with Dragon Lanterns, Memories of Childhood."



Billiards Tournament

Shiyan Grand Ocean joined forces with Jin Guan Qiao Shi Billiards Club to host the first member ranking tournament for the billiards club.

Themed Interactive Event: "Celebrating the Dragon Boat Festival in Yichang"

Grand Ocean Yichang, together with the city district, launched a themed interactive event titled "Celebrating the Dragon Boat Festival in Yichang." As one of the sub-venues, Grand Ocean Yichang set up an immersive Dragon Boat Festival display and photo spot within its premises, attracting countless fans to visit and take photos.



Work topic in 2025

Following the trend. Driving both online and offline wheels. Acting in response to the situation.

Focusing on dual-direction retail experiences.

Grand Ocean has already achieved notable progress in 2024, including streamlining operations, increasing the proportion of online sales, and boosting foot traffic—objectives that have largely been accomplished. To ensure Grand Ocean continues to advance, a new thematic focus will be implemented in 2025.

In the Dao De Jing, it is said that "Humans follow the earth; the earth follows heaven; heaven follows the Dao; and the Dao follows nature." In today's business environment, this "nature" refers to macro factors such as market trends and industry dynamics. Only by aligning ourselves with these trends can we sail forward effortlessly, achieving twice the result with half the effort; conversely, failure to do so may lead to doubled efforts yielding diminished returns, or even being overwhelmed by the tides of change. Looking at industry benchmark companies, Pang Donglai's popularity stems from its supply chain restructuring, closely aligning employees and consumers to build a community of shared interests. By optimizing costs, improving product quality, and disclosing price components transparently, the company earned consumer recognition and public praise, a prime example of leveraging momentum for growth.

The consumer market remains sluggish, with a clear trend toward downgraded consumption. Consumers are exhibiting more cautious behavior, significantly reducing their willingness to shop outside the home, except for essential dining expenses. In this environment, if we fail to prioritize our online operations or leverage the power of digital platforms to reach customers, we will become increasingly disadvantaged in market competition and risk being pushed out of the marketplace. However, it is important to clarify that online operations are not merely about selling products; attention must also be paid to consumer experience and continuous optimization based on customer needs. At the same time, we must not overlook the value of physical retail stores. The unique appeal of offline locations lies in their ability to provide consumers with tangible sensory experiences and fulfill their social needs. Rather than abandoning physical stores, we should further strengthen our investment in them. Online and offline channels are the two essential wheels driving our company's growth—neither can be missing. Only with both wheels turning together can we steadily advance on the path of the market.

As for "responding to changing circumstances," the key lies in concrete actions. In today's highly competitive retail environment, we must proactively enhance our on-site management capabilities, tenant acquisition and operational expertise, as well as our ability to organize social engagement activities. For brands with which we are less familiar, we should proactively reach out to learn more and establish strong collaborative relationships; if our understanding of customer needs remains insufficient, we must actively engage customers and listen closely to their feedback; if our ties with government agencies are not yet close enough, we should promptly strengthen communication and dialogue. For planning staff, relying originally on advertising agencies somewhat limited our autonomy and innovative capacity. Nowadays, you need to learn how to plan independently. If you realize your own knowledge base is insufficient, proactively seek advice from colleagues

in other departments or stores, only through collective brainstorming can you come up with effective solutions.

Each store should first adapt to the online trend by increasing investment in mainstream platforms, leveraging Meituan and Douyin to reach a broader consumer base. Optimized the online platform's user interface to help consumers better understand products. Leveraging big data analytics to analyze consumer purchasing behavior, preferences, and browsing history for precise marketing. Next, we will strengthen our offline advantages by enhancing store design and renovation to create a comfortable and stylish shopping environment. We will regularly host various themed events to enhance consumers' shopping enjoyment and sense of engagement. Finally, we promote the integration of online and offline operations to achieve data interoperability, establish a unified membership system and data platform, and integrate and analyze member data, consumption data, inventory data, and other information from both online and offline channels. In summary, market dynamics are constantly evolving; we must act with urgency and seize every opportunity for growth without delay.

"Retail Experience: A Two-Way Engagement" does not mean that offline stores focus solely on experience while neglecting retail operations. On the contrary, retail formats need to invest even more effort into enhancing customer experiences. Details such as store displays, lighting, store layout, checkout process, after-sales service, and parking convenience—though seemingly minor—are actually essential components of the retail experience. We focus on retail experiences not for the sake of experience itself, but to seamlessly integrate it into every aspect and detail of retail operations.

We must resolutely advance the technological transformation of department stores, which is an essential path for our company's development. In recent years, we have observed that stores which have successfully transformed into department store formats have shown clear improvements in their operating performance. Stores such as the Quanzhou, Fu Yi, Underground Street, and Shiyuan locations experienced relatively less impact from the complex and ever-changing market environment; in contrast, stores still operating under traditional standalone department store models faced greater challenges. This fully demonstrates that the pure department store business model has gradually fallen behind the times, with limited prospects for future development. Although Grand Ocean may face a short-term decline in revenue while advancing the transformation of its department stores into shopping malls, the company will attract customers through rich and diverse experiences. Once foot traffic increases, it will positively impact the retail business, driving a gradual improvement in performance. Department store transformation is a long-term strategy that requires continuous dedication. We must constantly innovate and refresh our offerings to deliver new experiences for our customers.

Retail Also Needs Experience (Fashion Show at the Grand Ocean Retail Group's Nanyi Store UR Opening)

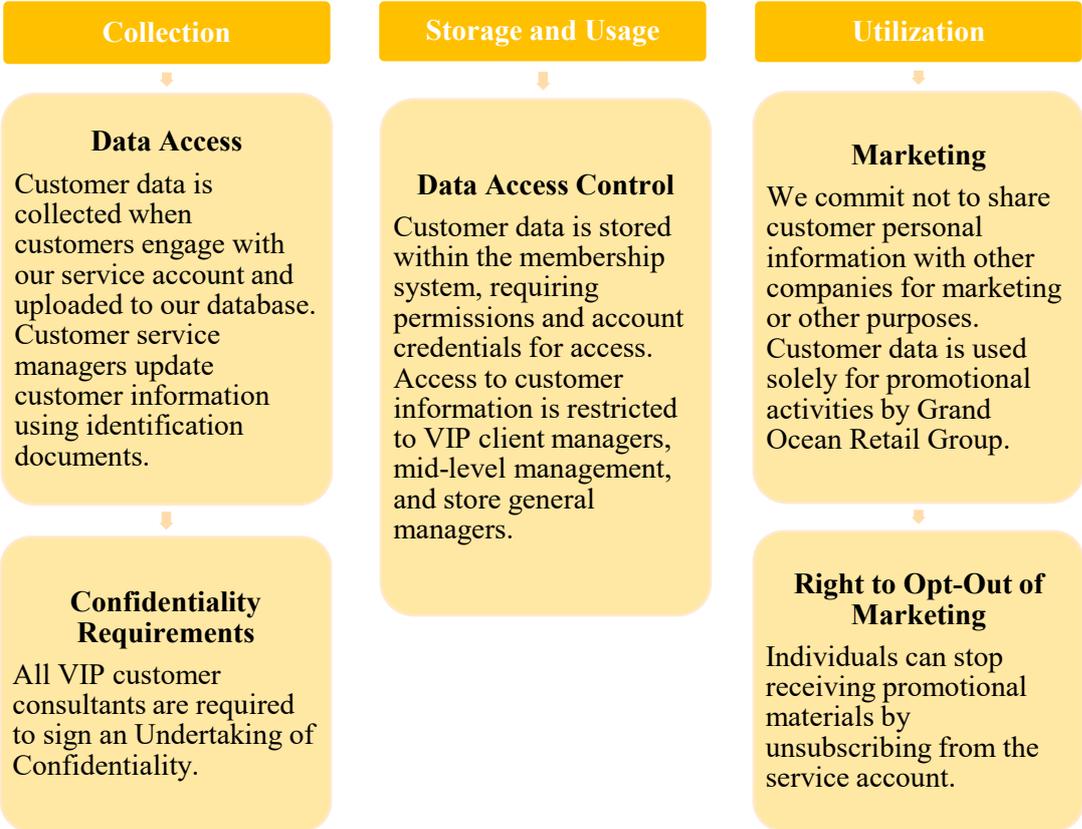


2.2.3 Customers Information Protection

In the physical operations of department stores, Grand Ocean Retail Group values customer traffic measurement and the establishment of a membership system. To provide more personalized service, we have collected, accumulated, and analyzed a substantial amount of customer-related information. Based on customer consumption habits, we offer more in-depth customized services to enhance customer retention and loyalty. Therefore, Grand Ocean Retail Group is gradually improving its measures for the protection of personal customer information. In recent years, we have migrated all customer data to cloud management through a WeChat mini-program and implemented tiered access management, allowing only authorized personnel to access customer data. All data retrieval activities are recorded, and we conduct regular audits of each branch's compliance to prevent data leaks.

In the event of a personal data breach, customers can file a complaint with the customer service center. Customer service personnel will escalate the issue to senior management, and an internal task force will be formed to review the situation. We are committed to addressing any data breach issues promptly and will notify the complaining customers of the results. In 2024, there were no reported incidents of personal data breaches or customer complaints related to such incidents.

Measures of Personal Data Protection



III. Employee Care and Charity Care

Talent is the cornerstone of sustainable business operations. We provide a competitive overall compensation system and a diverse range of benefits, along with a comprehensive talent cultivation mechanism. We actively care for the health and safety of our employees, organizing various team activities to foster employee cohesion and create a joyful and harmonious work environment. Our goal is to establish a friendly and happy workplace that supports both personal and professional growth alongside the Company.

We also actively participate in community engagement activities, adhering to the philosophy of giving back to society. This commitment goes beyond monetary donations; our Grand Ocean Retail Group stores collaborate with various charitable organizations to host events. These initiatives focus on caring for stray animals and supporting marginalized groups, raising awareness of the many individuals in need of attention and care in our society.

3.1 Attractive Remuneration and Benefit

First Steamship advocates for the principle of equal pay for equal work, pledging not to provide differential treatment based on gender, religion, or other factors. Salaries and bonuses are adjusted based on company profitability, industry salary standards, and employee performance. We believe that a comprehensive and transparent remuneration and benefit system fosters employee trust in the Company.

3.1.1 Employment Structure

First Steamship employs 48 administrative staff and 906 employees at Grand Ocean Retail Group (including employees from the Taipei office and temporary staff). In 2024, women comprised 54.17% of First Steamship's workforce, with women in managerial positions (level manager and above) accounting for 43.75%.

Employment Structure of First Steamship

By Gender and Age			2022		2023		2024		
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	
Corporate Governance Members	Gender	Male	7	100.00%	7	100.00%	7	100.00%	
		Female	0	0.00%	0	0.00%	0	0.00%	
	Age	≤ 30 years old	0	0.00%	0	0.00%	0	0.00%	
		30~50 years old	2	28.57%	3	42.86%	3	42.86%	
		≥ 50 years old	5	71.43%	4	57.14%	4	57.14%	
Employees	Marine Transportation Personnel	Gender	Male	8	18.60%	12	24.49%	9	18.75%
			Female	7	15.91%	8	16.33%	11	22.92%
		Age	≤ 30 years old	3	6.82%	5	10.20%	6	12.50%
			30~50 years old	8	18.60%	11	22.45%	10	20.83%
			≥ 50 years old	4	9.30%	4	8.16%	4	8.33%
	General Employees	Gender	Male	12	27.91%	13	26.53%	13	27.08%
			Female	16	37.21%	16	32.65%	15	31.25%
		Age	≤ 30 years old	8	18.60%	7	14.29%	5	10.42%
			30~50 years old	13	30.23%	13	26.53%	14	29.17%
			≥ 50 years old	7	16.28%	9	18.37%	9	18.75%

Note: The total number of employees includes temporary employees.

Grand Ocean Retail Group has a higher number of regular (full-time) female employees due to the characteristics of the retail department store industry, which has more female employees.

Employment Structure of Grand Ocean Retail Group

By Gender and Age			2022		2023		2024		
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	
Corporate Governance Members	Gender	Male	5	71.43%	6	85.71%	6	85.71%	
		Female	2	28.57%	1	14.29%	1	14.29%	
	Age	≤ 30 years old	0	0.00%	0	0.00%	0	0.00%	
		30~50 years old	4	57.14%	1	14.29%	1	14.29%	
		≥ 50 years old	3	42.86%	6	85.71%	6	85.71%	
Employees	Marine Transportation Personnel	Gender	Male	72	6.21%	70	6.73%	186	20.53%
			Female	78	6.73%	79	7.60%	275	30.35%
		Age	≤ 30 years old	6	0.52%	8	0.77%	36	3.97%
			30~50 years old	112	9.66%	113	10.87%	366	40.40%
			≥ 50 years old	32	2.76%	28	2.69%	59	6.51%
	General Employees	Gender	Male	436	37.62%	385	37.02%	212	23.40%
			Female	573	49.44%	506	48.65%	233	25.72%
		Age	≤ 30 years old	221	19.07%	187	17.98%	81	8.94%
			30~50 years old	731	63.07%	615	59.13%	304	33.56%
			≥ 50 years old	93	8.02%	89	8.56%	60	6.62%

Note 1: Management level includes department heads and above (inclusive).

Note 2: In 2024, the total number of employees is 906, which includes staff from the Taipei office and temporary employees, but excludes the seven members of the corporate governance team. The statistics for Grand Ocean Retail Group employees will follow the same format.

Statistics for the Employment Type of First Steamship

Employee Statistics		Number of People	
		2024	
Total Number of Employees		48	
Employment Contracts		Permanent	Temporary
Gender	Male	20	2
	Female	26	0
Region	Taiwan	46	2
	Mainland China	0	0
Type of Employment		Full-Time (General employees)	Part-Time (Hourly employees)
Region	Taiwan	48	0
	Mainland China	0	0

Note: In Taiwan, regular employees are defined as those with indefinite labor contracts, while temporary employees are defined as those with fixed-term contracts.

Statistics for the Employment Type of Grand Ocean Retail Group

Employee Statistics		Number of People	
		2024	
Total Number of Employees		906	
Employment Contracts		Permanent	Temporary
Gender	Male	399	2
	Female	502	3
Region	Taiwan	6	0
	Mainland China	895	5
Type of Employment		Full-Time (General employees)	Part-Time (Hourly employees)
Region	Taiwan	6	0
	Mainland China	895	5

Note: In Mainland China, regular employees are defined as individuals who have signed labor contracts and are legally required to pay social insurance, while temporary employees are defined as those who have signed service contracts and are not required to pay social insurance.

First Steamship is located in Da'an District, Taipei City. The company appropriately hires local high-quality human resources to prevent population outflow and promote community prosperity and development, enhancing community identity.

Percentage of Employees Hired from the Local Workforce Where Operations Are Based		2024	
		Total	Ratio
Total number of employees for the year		48	100.00%
By city/county	Taipei City	23	47.92%
	Others	25	52.08%
By community	Taipei City, Da'an District	5	10.42%
	Others	43	89.58%

First Steamship has signed an agreement with the Seafarers Union, under which crew requirements for each voyage are submitted in advance, and the union dispatches seafarers to serve on board. A total of 224 seafarers have been dispatched.

Non-Employee Workers Statistics

Non-employees Workers Statistics		Number of People	
		2024	
Total Number of Workers		224	
Type of Contract		Employment Contract	
Gender	Male	224	
	Female	0	
Region	Taiwan	0	
	Others	224	
Type of Work		Seafarers	
Gender	Male	224	
	Female	0	
Region	Taiwan	0	
	Others	224	

Note: 1. Non-employee workers refer to individuals who provide services to the Company without a formal employment relationship.
 2. Marine crew refers to personnel responsible for maintaining vessel operations and cargo loading.

Statistics for Workers Who are not employees of First Steamship and Grand Ocean Retail Group

Non-employees Workers Statistics		Number of People
		2024
Total Number of Workers		403
Type of Contract		Contract for Work
Gender	Male	124
	Female	279
Region	Taiwan	0
	Mainland China	403
Type of Work		Labor Service
Gender	Male	124
	Female	279
Region	Taiwan	0
	Mainland China	403

Note: Labor service personnel at Grand Ocean Retail Group refer to cleaning and security staff.

To address personnel turnover, the Company recruits professionals from various fields through diverse channels to enhance its competitive edge. The Company is committed to providing lawful job security, a fair compensation and bonus system, a healthy and safe working environment, and various insurance and retirement plans to attract talent. It aims for every new employee to feel secure and confident in pursuing their career achievements within the Company. In recent years, the ratio of new hires to departures has remained relatively stable, indicating stable business operations.

Analysis of New Hires and Departed Employees in 2024		First Steamship		Grand Ocean Retail Group	
		Total	%	Total	%
Total Number of Employees		48		906	
New Hires		8	16.67%	100	11.04%
By Age	≤ 30 years old	8	16.67%	65	7.18%
	30~50 years old	0	0.00%	34	3.75%
	≥ 50 years old	0	0.00%	1	0.11%
By Gender	Male	3	6.25%	26	2.87%
	Female	5	10.42%	74	8.17%
By Region	Taiwan	8	16.67%	0	0.00%
	Mainland China	0	0.00%-	100	11.04%
Departed Employees		10	20.83%	241	26.60%
By Age	≤ 30 years old	7	14.58%	96	10.60%
	30~50 years old	3	6.25%	133	14.68%
	≥ 50 years old	0	0.00%	12	1.32%
By Gender	Male	6	12.50%	84	9.27%
	Female	4	8.33%	157	17.33%
By Region	Taiwan	10	20.83%	0	0.00%
	Mainland China	0	0.00%	241	26.60%

Note: The calculation method is (number of new hires or number of departures)/ total number of employees * 100%.

3.1.2 Remuneration and Benefit

Remuneration Policies

- Fair and just remuneration standards correlated with occupational competency.
- Regular, transparent performance evaluation and bonus systems.
- Employee welfare guaranteed by the welfare unit.
- Defined pension contributions meeting the legal requirements.

Management Approach

- To meet the regulatory welfare requirements and formulate a fair, transparent remuneration policy, First Steamship and Grand Ocean, aside from providing a remuneration system that is both assuring and stimulating, also offers generous benefits so that employees can concentrate on work and big bonus so that employees can continue to improve themselves.
- Fair and just remuneration standards correlated with occupational competency.
- Regular, transparent performance evaluation and bonus systems.
- Employee benefits protected by dedicated unions or welfare organizations.
- Defined pension contributions meeting the legal requirements.

Responsible Department/ Reporting Mechanism

- First Steamship: Human Resources Department/ Reporting Window (Official Website): General Administration Division
Deputy General Manager Lin's Email: fss@firsteam.com.tw
Tel: (02) 2706-9911
- Grand Ocean: Reporting Window -Personnel Department of Each Store

Evaluation System

- First Steamship
- Internal audits verify that the Human Resources Department follows prescribed procedures.
- All employees except the highest-ranking executive undergo performance evaluations at a rate of 100%.
- An actuary conducts an annual audit to confirm that retirement funds are allocated in accordance with the law.
- Grand Ocean
- In 2022, the participation rate in quarterly performance evaluations for full-time employees at First Steamship was also 100%.
- Grand Ocean holds an annual employee representative meeting organized by the union.
- The Social Security Department conducts regular audits to confirm that the basic pension insurance fund contributions are made in full compliance with legal requirements.

First Steamship provides a competitive compensation system that upholds principles of workplace diversity and equality. Both men and women have fair opportunities for promotion. Compensation complies with local labor laws and exceeds the minimum wage standards. Employee remuneration includes base salary and various allowances. Employees are compensated according to their roles, educational background, and relevant experience, without any discrimination based on gender, religion, or other personal characteristics. The Company shares its operational profits with employees based on performance. According to company bylaws, if there are annual profits, at least 1% must be allocated for employee compensation. Generous bonuses are awarded annually based on employee performance to motivate continuous improvement in workplace performance, allowing employees to fully utilize their strengths and enabling mutual growth and profit sharing between employees and the Company. In 2024, First Steamship did not have any employees taking childcare leave with pay suspension.

Additionally, First Steamship offers quality benefits to ensure employees feel secure in their work, including monthly afternoon tea, volunteer activities, year-end dinners, and prize draws.

Unit: Person/NT\$ Thousand

Full-time employees in non-supervisory positions	Number of People	Average annual salary	Median annual salary
2023	37	939	862
2024	35	918	831
Difference from the previous year	-2	-21	-31

Employee Benefits	Full-Time Employee	
	Taiwan (First Steamship's and Grand Ocean Retail Group's Taiwan's Employee)	Mainland China
Group Accident Insurance, Labor and Health Insurance	Group Insurance, Labor and Health Insurance	Five Insurances and One Fund – Pension Insurance, Medical Insurance, Unemployment Insurance, Maternity Insurance, Work Injury Insurance, Housing Provident Fund, Personal Accident Insurance (for management and specialized personnel)
Special Leave	Statutory Holidays and Special Leave, Paid Leave for Marriage and Bereavement	Statutory Holidays, National Annual Leave, Paid Leave for Marriage and Bereavement
Maternity Leave, Parental Leave	Maternity Leave, Paternity Leave, Parental Leave	Women's Statutory Maternity Leave of 158 Days, Breastfeeding Time

Birthday/Wedding/Bereavement Subsidies	Birthday Congratulatory Bonus, Gifts for Maternity, Condolence Money for Weddings and Funerals	One Birthday Cake Voucher, Condolence Money for Funerals
Retirement System as per Law (Labor Pension)	Statutory Retirement Fund Contribution	Retirement Pension Disbursed by the National Labor and Social Security Department
Seasonal Bonuses	New Year's Red Envelope, Dragon Boat Festival and Mid-Autumn Festival Gifts	Spring Festival and Mid-Autumn Festival Seasonal Bonuses
Year-End Bonus	Year-End Bonus	Year-End Bonus
Regular Health Check-Ups	Bi-Annual Health Check-Up(Once annually for individuals aged 65 and above)	Annual Health Check-Up
Employee Subsidies	Employee Education Subsidy, Training Subsidy	Costs for External Training and Educational Programs for Employees

Note: "Taiwan" refers to First Steamship and Grand Ocean Retail Group's Taipei office; "Mainland" refers to Grand Ocean Retail Group's operations in mainland China.

3.1.3 Retirement Plan

First Steamship cares about the present and future of its employees. A well-structured retirement plan helps enhance employee loyalty, while a stable and robust pension system serves as a safety net for employees after retirement. We manage employee retirement matters in accordance with local regulations.

In Taiwan, First Steamship established a labor retirement fund account at the Central Trust of China in 1987, in compliance with existing regulations at the time, to allocate retirement reserves for employees. A "Labor Retirement Fund Supervisory Committee" was formed to oversee the management of the pension funds, with labor representatives elected by employees. This committee ensures the adequacy of the retirement fund and that the Company complies with regulations regarding employee retirement. During the old labor retirement system, an actuarial report on retirement funds was conducted annually by a consulting firm, with an actual allocation rate of 13% directed to a dedicated account at Taiwan Bank. In July 2005, the Ministry of Labor introduced a new labor retirement system. The Company, following legal procedures, consulted employees about transitioning to this new system, which now includes all newly hired employees. Under this system, a contribution of 6% of the full salary is made to individual accounts at the Labor Insurance Bureau, while retaining the years of service under the old system. Upon retirement, employees are entitled to receive their pension according to the law, with 100% of employees covered by the pension system.

In Mainland China, Grand Ocean Retail Group expresses gratitude to employees for their contributions to the Company by holding retirement ceremonies for every retiring employee. The Company also complies with legal requirements by making monthly contributions to social insurance, ensuring that eligible employees receive their pensions in accordance with the law from the labor protection administration department.

Pension System	Old System	New Regulation
Applicable Legal Sources	Labor Standards Act	Employee Retirement Income Act
How to allocate	Contributions are made at a rate of 13% of each employee's monthly salary, deposited in a dedicated account under the company's name at Bank of Taiwan (formerly CTOC).	Contribute 6% based on employees' insurance coverage levels to the individual accounts at the Labor Insurance Bureau.
Amount Allocated	Accumulated amount of employee retirement funds: NT\$15,099 thousand	NT\$2,433 thousand has been allocated as of 2024

3.1.4 Employee Activities

First Steamship has established a Welfare Committee, which allocates funds from annual revenue to handle welfare matters and regularly convenes meetings to discuss various employee benefits. The committee organizes various group activities aimed at enhancing employee well-being. In the Mainland China operations of Grand Ocean Retail Group, the Human Resources department and the labor union are responsible for allocating a specific amount of welfare funds each year to organize various employee group activities, encouraging participation to foster employee cohesion.

- **Year-End Party**

First Steamship holds an annual year-end party and various employee dining events to reward colleagues for their hard work throughout the year.



- **Staff Dinner**



- **Birthday Celebration**



- **Christmas Gift Exchange**



Grand Ocean Retail Group organizes fun group activities and festive events each year across its branches. These initiatives encourage interaction between sales staff from different counters and self-operated employees, fostering a sense of belonging and identity with the Grand Ocean brand.

- **Employee Outdoor Team-Building Activities:** To enrich employees' cultural lives and enhance teamwork spirit, the Grand Ocean Hefei branch will hold outdoor team-building activities in April 2024. This initiative aims to strengthen communication and collaboration among departments and boost employee cohesion.



- **Fun Activities:** the Grand Ocean Nanjing store hosted a uniquely engaging lifestyle salon, Dim Sum DIY Workshop. First Steamship's UU Pastries baking instructor led a hands-on workshop, allowing participants to enjoy the pleasure of baking in a relaxed atmosphere, savor various delicacies, strengthen employee interactions, and enrich their spiritual and cultural lives.



- **Celebrating the Dragon Boat Festival:** Grand Ocean Yichang Store hosted a DIY "Zhuangxiang Festival, Praying for Health and Blessings" event centered on crafting traditional festival door hangings. The activity aims to deepen participants' understanding and appreciation of Chinese cultural traditions through hands-on creation, fostering a meaningful Dragon Boat Festival experience while strengthening company culture and team cohesion.



- **Celebrate Mid-Autumn Festival:** Grand Ocean Hefei Store Hosts "Lantern Festival" Handmade DIY Team-Building Activity to Experience Traditional Holiday Atmosphere and Enhance Employee Well-Being.



- **March 8th International Women's Day:** Grand Ocean Retail Group Nanjing Store No. 1 organized the "International Women's Day Celebration Event." We dedicate our most beautiful tribute to Grand Ocean's "half the sky," extending our sincerest International Women's Day wishes to all female employees within our stores.



3.1.5 Talent Cultivation

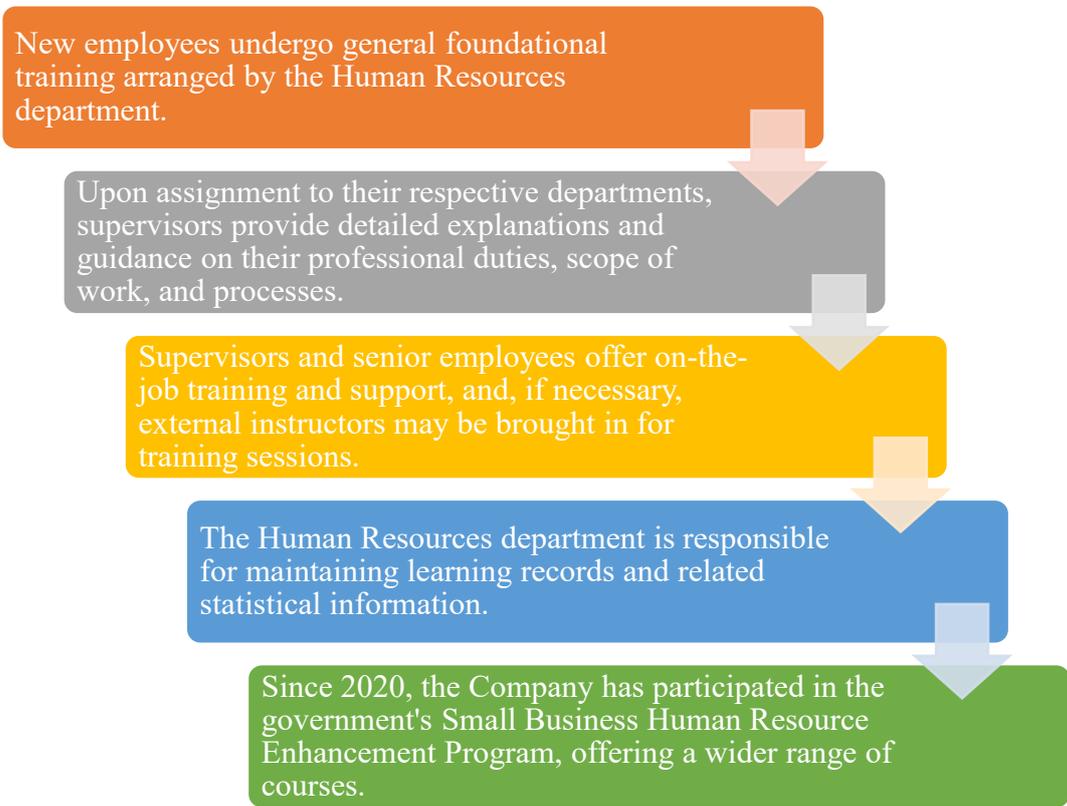
Employees are the cornerstone of the Company. First Steamship places a long-term emphasis on talent cultivation and diversity, maintaining employees' professional knowledge and skills. The Company is committed to treating all employees equally, regardless of religion, gender, race, age, or marital status. We strictly adhere to relevant regulations, including labor laws, gender equality laws, and employment service laws, to maintain competitiveness, stimulate future talent cultivation, and achieve sustainable business objectives.

Employee Development Policy	<ul style="list-style-type: none"> ● Enhancing employee capabilities and performance by improving work skills and professional knowledge to achieve shared growth with the company.
Management Approach	<ul style="list-style-type: none"> ● New Employee On-boarding Training <ul style="list-style-type: none"> ➢ New employees are arranged by the Human Resources department to attend general foundational training, which covers the company's history as well as their rights while working at the company. ➢ After new employees are assigned to their respective departments, department supervisors provide them with detailed explanations and guidance regarding their professional responsibilities, scope of work, and processes. During the probationary period, department supervisors and staff should receive on-the-job training and guidance to enable them to understand their respective responsibilities and successfully complete assigned tasks. ● Employee On-the-Job Training <ul style="list-style-type: none"> ➢ Department heads shall develop training programs as needed based on company operations, and in accordance with regulations and guidelines issued by international, domestic, and maritime authorities. These programs must be submitted to the General Manager or Chairman for approval before being implemented by respective departments according to plan. ➢ Department supervisors shall assess the job capabilities and knowledge of their subordinates annually, and if deemed insufficient, shall arrange special training programs to strengthen their skills.
Responsible Department/ Reporting Mechanism	<ul style="list-style-type: none"> ● First Steamship <ul style="list-style-type: none"> ➢ Responsible Department : HR ➢ Reporting Mechanism : Deputy General Manager Lin's Email: fss@firsteam.com.tw Tel: (02) 2706-9911 ● Grand Ocean Retail Group <ul style="list-style-type: none"> ➢ Responsible and Reporting Mechanism : Each store HR
Evaluation System	<ul style="list-style-type: none"> ● New Employee Training: Before the probationary period ends, department supervisors must submit a "Probation

	<p>Completion Evaluation Form."</p> <ul style="list-style-type: none"> ● Employee On-the-Job Training: Department managers shall assess the job performance and knowledge of their staff annually.
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- **First Steamship**

At First Steamship, new employees will undergo orientation training organized by the HR, followed by a professional training by each department based on the technical requirements for their job. The HR also produces statistics and conducts a survey with respect to the trainings every year, to ensure that employees receive quality cultivation and obtain diversified development potential and are thereby able to grow in tandem with First Steamship

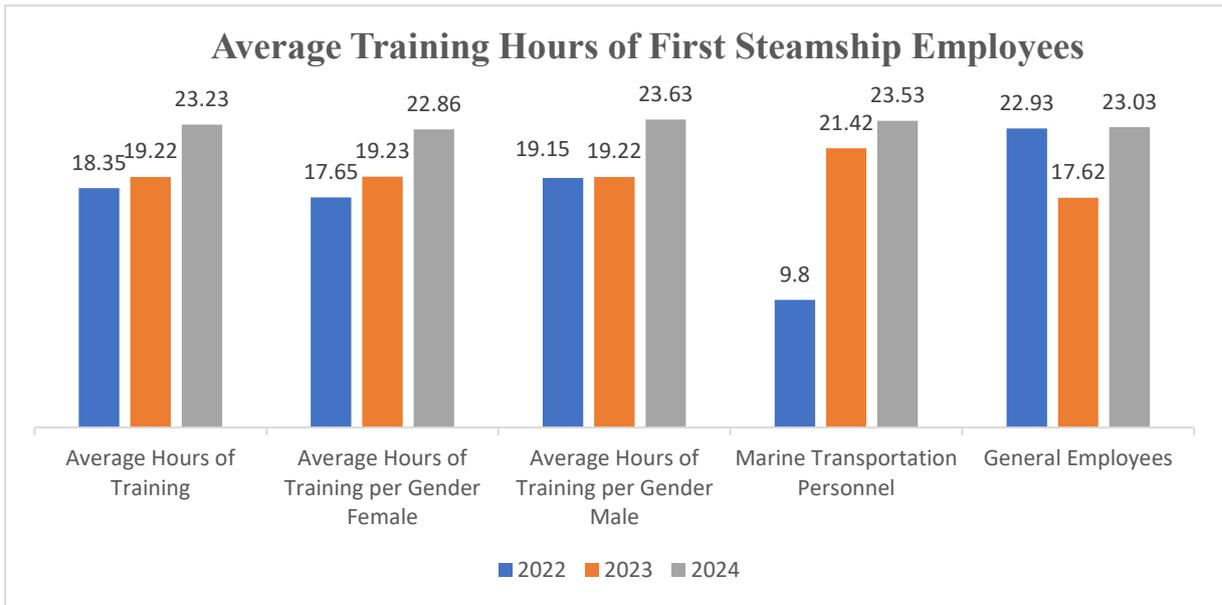


To systematically cultivate high-quality talent, First Steamship has engaged in the "Government Small Business Human Resource Enhancement Program" since 2020, providing continuing education training for employees. Through specialized courses taught by professional instructors, the program aims to enhance employee competitiveness. In 2024, a total of 27 training sessions were held, accumulating 200 hours of instruction. Employee satisfaction with learning outcomes was rated above 4 out of 5, indicating that both the instructors and course content met the continuing

education needs of the staff.

In 2024, the average training hours for First Steamship employees was 23.23 hours. The Company continues to strive to provide diverse resources and channels for employee development and actively participates in government programs to offer a broader range of courses for staff selection. First Steamship believes that a clear and stable career path contributes to talent retention and development.

In addition, First Steamship encourages and supports senior managers in pursuing professional continuing education programs. Currently, one manager is enrolled in the part-time master's program at the College of Law, National Chengchi University. By enhancing the legal expertise of professional managers through training, the company aims to reduce potential legal risks associated with business operations. Through job rotation, managers gain familiarity with the operations of various departments within the company as well as the business activities across different units within the group. First Steamship currently has five Assistant Managers, each coming from four key areas, finance, business, investment, and corporate governance, serving as successors in the company's pipeline for senior management talent



Note 1:

The scope of marine transportation personnel includes crew management, safety management, maritime accounting, sales department, procurement department, and engineering department staff. The general employee category comprises personnel from departments other than marine transportation personnel.

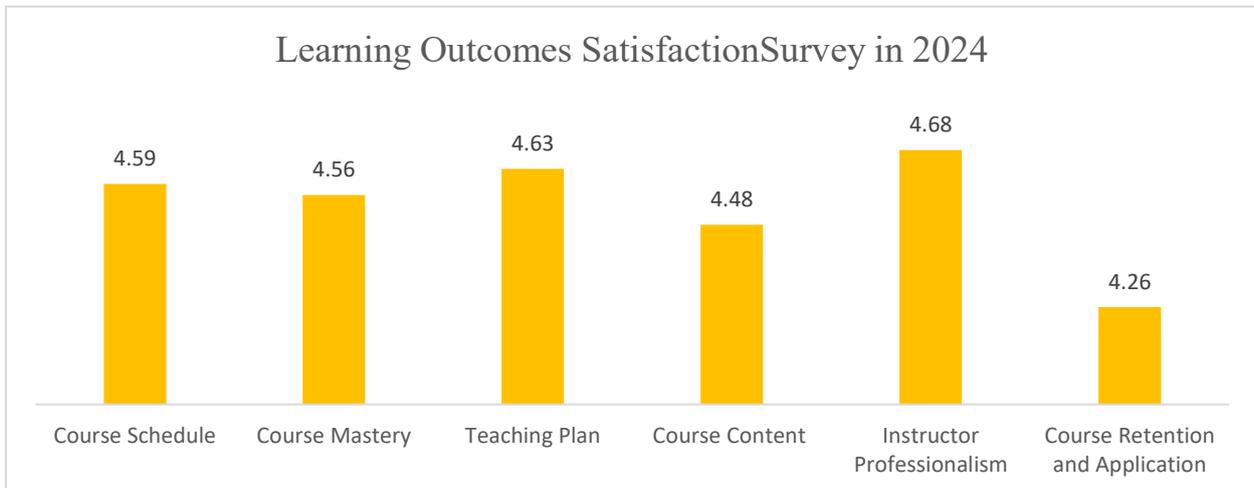
Note 2 :

Average training hours per employee = Total training hours received by employees/ Total number of employees.

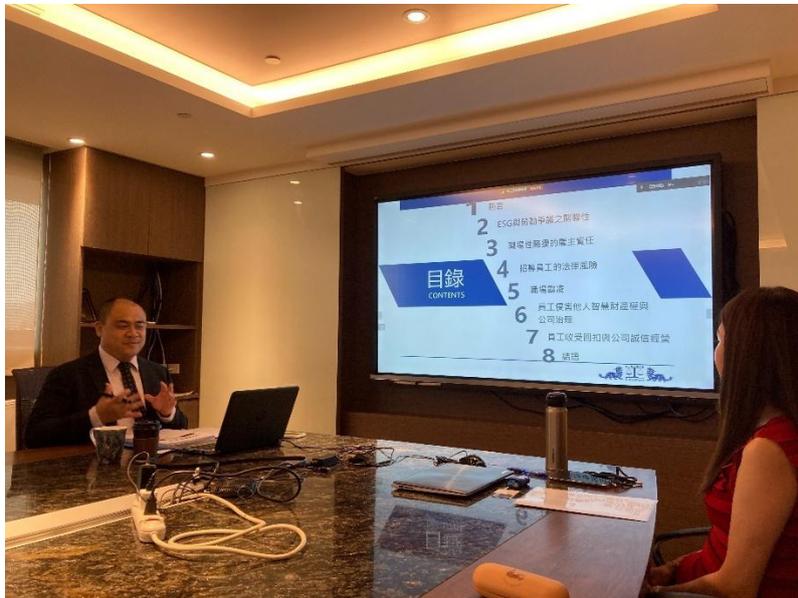
Average training hours per female employee = Total training hours received by female employees/ Total number of female employees.

Average training hours per male employee = Total training hours received by male employees/ Total number of male employees.

Average training hours per category of employee = Total training hours received by each category of employees/ Total number of employees in that category.



First Steamship Employee Training



The Human Resources department conducts regular employee evaluations, which are divided into two categories: probationary assessments and annual performance evaluations. These evaluations serve as reference points for employee promotions, salary adjustments, and bonus distributions. However, the primary focus of unit supervisors remains on daily communication, timely feedback, discussions on shared goals, and integrating career development with educational training.

**Employees Receiving Regular Performance
and Career Development Reviews**

Employees Reviewed in 2024		Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	21	22	95.45%
	Female	26	26	100%
Category	Marine Transportation Personnel	20	20	100%
	General employees	27	28	96.43%

Note 1: The scope of marine transportation personnel includes crew management, safety management, maritime accounting, sales department, procurement department, and engineering department staff. The general employee category comprises personnel from departments other than marine transportation personnel.

Note 2: Excluding senior management, performance evaluations are conducted only for employees.

- **Grand Ocean Retail Group**

Grand Ocean operates in the department retail service industry, and to provide high-quality service, we place a strong emphasis on employee development. Through extensive specialized training, we enhance employees' skills and service quality, ensuring their understanding of both their roles and the corporate culture.

We have established a Training Management Policy as the foundation for implementing and managing training for all levels of staff. Each year, we allocate a fixed budget to enhance employees' knowledge and skills, with dedicated education and training departments and professionals rigorously managing and supervising employee attendance, discipline, and cooperation during training sessions. This ensures effective training outcomes, and we adjust the course categories annually based on demand to achieve optimal training results.

In addition to basic training courses, Grand Ocean has also introduced specialized training in business negotiation skills and operational techniques. Each store organizes group activities to foster a sense of belonging and identity among employees.

Education and Training

Etiquette Training

- Essential training courses are designed to establish standardized service etiquette, equipping employees with appropriate response protocols to enhance their professional image and provide enthusiastic customer service.

Specialized Development

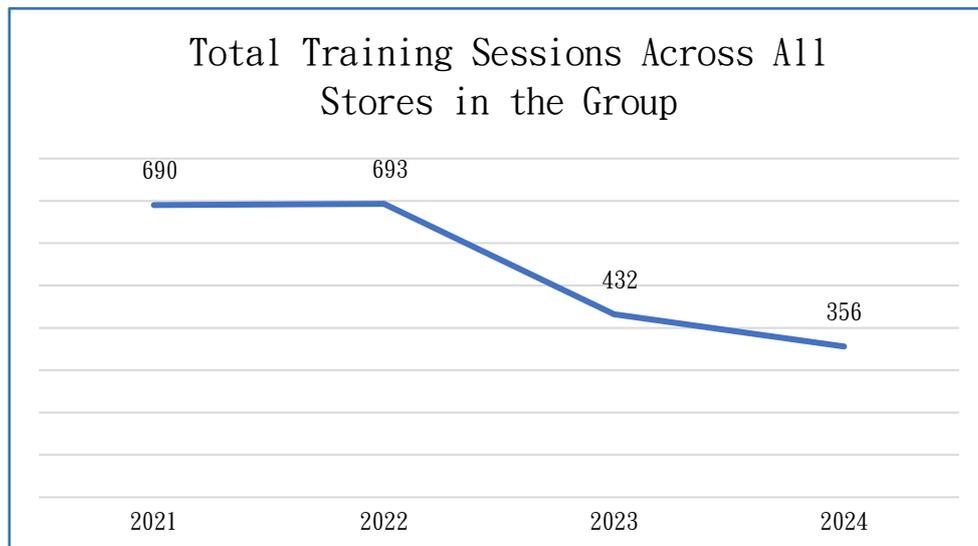
- Employees encountering new modules in their work receive guidance from professional instructors. Topics include business negotiation and communication skills, market research content and objectives, and sharing case studies on VIP client maintenance. This targeted learning addresses specific challenges, promoting continuous learning and better integration into new environments.

Engaging Communication

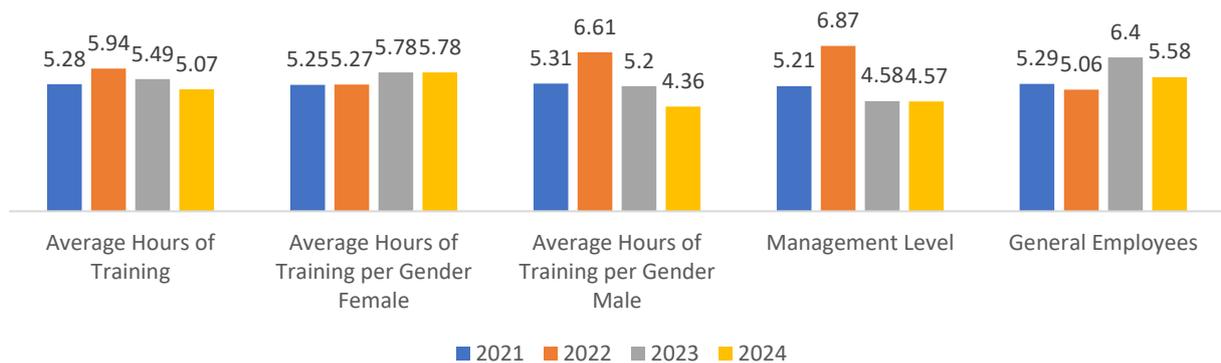
- Professional training sessions are conducted by well-known brands, external experts, and government departments, covering topics such as fire safety, business hospitality, online promotion, and marketing activities. These sessions encourage knowledge exchange, fostering a culture of continuous learning and practical application.

In 2024, in addition to regular internal training, the headquarters' education and training unit led the organization of business skills enhancement programs using a blended approach of online and offline methods. Standardized course materials were implemented to deliver professional training through diverse formats. A regional trainer system was also established to ensure timely and effective execution and outcomes of the training initiatives.

In 2024, the total number of online and offline training sessions across all stores amounted to 356, with each employee receiving an average of 5.07 hours of training.



Average Training Hours of Grand Ocean Retail Group Employees



Note 1: Supervisory positions are defined as managers at levels one and two (inclusive) and above.

Note 2: Since 2021, the hours of online courses have been included in the statistics.

➤ **Yichang Store**

Grand Ocean Yichang Store invited instructors from the Group Headquarters to conduct business enhancement training for staff members. Covering topics ranging from awareness and improvement of time management to professional operation of Mobo Mini Programs, the two instructors delivered rich and insightful sessions that effectively enhanced employees' business knowledge, technical skills, and managerial capabilities.



➤ **Nanjing Primary Store**

First Steamship's Nanjing primary store invited a training instructor from the East China region to conduct an in-person training session for its self-operated employees on "Enhancing Customer Complaint Handling and Emergency Response Skills" as well as "Daily Etiquette Standards." The course covers topics such as service etiquette, the root causes of customer complaints, and methods and procedures for handling them. By combining theoretical knowledge with real-world case studies, it helps employees better master daily service standards and effectively enhance their ability to resolve customer issues, ensuring high-quality guest service.



To enhance employee performance and career development, Grand Ocean conducts probation assessments for new employees, while all employees and management undergo quarterly and year-end evaluations. Through effective performance management, the Company ensures that employees achieve expected growth and meet business goals, creating a win-win situation for both employees and the Company.

**Employees Receiving Regular Performance
and Career Development Reviews**

Employees Reviewed in 2024		Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	285	285	100%
	Female	378	378	100%
Category	Management Level	299	299	100%
	General Employees	364	364	100%

Note 1: Management Level: Senior Management and Middle Management.

Note 2: Grand Ocean has a total of 906 employees, with an actual count of 663, excluding 5 temporary staff from assessment.

To standardize employee service etiquette and enhance overall service quality, each store has initiated various activities, such as “Counter Recognition for Resilient Growth,” “Outstanding Counter Selection,” and “Service Star Awards.” These initiatives provide positive affirmation to employees and encourage them to continuously improve their service attitude, delivering high-quality service to offer customers an exceptional shopping experience and enhance customer satisfaction.

➤ **Hefei Store**

Grand Ocean Hefei Store held an anniversary celebration awards ceremony for outstanding departments and counters, recognizing excellence and inspiring collective growth.



➤ **Yichang Store**

As the Lunar New Year approached, Grand Ocean Yichang Store held its annual award ceremony for outstanding counters to recognize excellence and inspire all teams to maintain a high level of dedication in delivering superior customer service.



3.1.6 Employee Care

We value the voices of our employees and hold quarterly labor-management meetings and welfare committee meetings to assess their actual needs, which are then incorporated into our management planning. First Steamship's official website features an employee grievance mailbox, overseen by the Deputy General Manager of the General Management Office, to understand employee needs and facilitate improvements. This information serves as a reference for company policy planning, enhances employee satisfaction, and fosters a harmonious work atmosphere. We also provide various channels for feedback, including a sexual harassment complaint mailbox.

To protect labor rights and provide a healthy and safe working environment, while adhering to the fundamental principles of international conventions such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's fundamental principles and rights at work, First Steamship established a human rights policy in May 2020, which is available on our website. This policy aims to eliminate human rights violations and ensure fair and dignified work conditions, as well as to provide a healthy and safe working environment that promotes employee happiness.

First Steamship has not experienced significant layoffs or large-scale restructuring of employee positions or work locations in recent years. Through quarterly labor-management meetings, communication between labor and management remains smooth and harmonious. The company does not have a collective agreement with employees, and no human rights violations occurred during the fiscal year.

Promotion of The Two Covenants

First Steamship Group
人權兩公約宣導

- 宣導一、母性保護措施：
 1. 依《經濟社會文化權利國際公約》，經濟社會文化權利之享受，男女平等，過正性別歧視，確保男女享有平等之工作機會和待遇。生育不應成為就業障礙和失去工作的理由。
 2. 女性同仁分娩前後期間享社會保障福利之休假，不因生育而受歧視，為保障其有效的工作權利，禁止以懷孕或產假為理由予以不利之處分，以及以婚姻狀況為理由予以歧視。
 3. 男、女性同仁依其身分請休帶薪(陪)產假皆不應喪失原有工作，年資且不得拒絕或視為缺勤而對其產生不利之處分。
 4. 同仁有相關請休需求者，請於人資系統送假單，如有其他疑問，請洽詢人事處。

First Steamship Group
人權兩公約宣導

- 宣導二、打工族也有勞工退休金：
 1. 依《經濟社會文化權利國際公約》，人人有權享受社會保障，包括社會保險，社會保險制度涵蓋兼職工。
 2. 人員的社會保障計畫是建立在職業活動的基礎上，依據工作時間、繳納保費、薪資收入或者其他適當辦法按比例確定兼職人員有關的福利，如：特休假時數。依勞工退休金條例規定，應以對應的月提繳工資提繳6%勞工退休金到兼職人員退休金專戶。
 3. 如員工欲了解個人退休金專戶內累計金額，能以行動電話認證、自然人憑證、或以「健保卡號+設籍戶口名簿戶號」上勞保局網站、赴勞保局臨櫃查詢。
 4. 公司依法提撥6%退休金，如同仁另想申請勞退自提或有其他疑問，請洽詢人事處。

Sexual harassment prevention campaign

First Steamship Group

禁止性騷擾及性侵害公開揭示

- 1 任何人不得對他人性騷擾或性侵害。
- 2 性騷擾他人者，依法得處新臺幣1萬元以上10萬元以下罰鍰；利用權勢性騷擾他人者，依法得處新臺幣6萬元以上、60萬元以下罰鍰；高權權勢騷擾或騷擾他人隱私部位，被害人可提出刑事告訴，最高可處2年以下有期徒刑，拘役或併科新臺幣10萬元以下罰金。性侵害他人者，依刑法規定最高可處死刑、無期徒刑或10年以上有期徒刑。
- 3 性騷擾或性侵害他人，除負有法律上之刑事與民事責任外，本單位亦將依內部規定懲處。
- 4 遇到性侵害事件，請撥打110或113保護專線求助。
- 5 發現性騷擾或性侵害事件，請本單位立即協助處理者。



Grand Ocean Retail Group respects and supports internationally recognized human rights standards and principles, complies with local regulations, and has established systems to safeguard employee rights. These measures help both employees and partners mitigate human rights risks and impacts through Grand Ocean's management.

Human Rights Protection Implementation

Human Rights Policy	Management Systems	Performance and Goals in 2023
Prohibition of Illegal Discrimination and Assurance of Equal Employment Opportunities	<ul style="list-style-type: none"> ● First Steamship: The Company has set up employee grievance channels, sexual harassment prevention systems, and complaint mailboxes to ensure employee rights. ● Grand Ocean: Provides grievance mechanisms, employee care programs, and promotion systems to ensure employee rights. 	<ul style="list-style-type: none"> ● First Steamship: The goal is zero employee complaints; zero instances of sexual harassment complaints; and zero complaints submitted through the official website. ● Grand Ocean: Ensures protection of occupational human rights for all employees and provides equal career development opportunities; a total of 38 employee care activities have been conducted.
Providing a Healthy and Safe Working Environment	<ul style="list-style-type: none"> ● First Steamship: Conducts occupational safety and health seminars, as well as fire safety education and training, and holds annual health check-ups for all employees to ensure their health and safety. ● Grand Ocean: Annual health check-ups ensure that employees are in optimal condition for work, reflecting the Company's commitment to employee welfare. 	<ul style="list-style-type: none"> ● First Steamship: The goal is to ensure employees have a comfortable working environment and maintain physical and mental health and safety. 100% of employees undergo health examinations every two years (exceeding the legal requirement); voluntary participation rate in the subsequent year was 95.3%. (Once annually for individuals aged 65 and above) ● Grand Ocean: The goal is to provide health check-ups for all employees and conduct regular safety inspections of the work environment to ensure excellent working conditions and health; to prevent any occupational health and safety incidents; and to achieve a 100% participation rate in health check-ups annually.

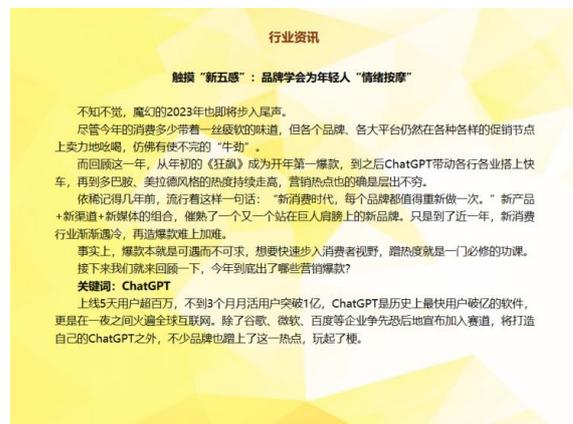
<p>Assisting Employees in Maintaining Physical and Mental Health and Work-Life Balance</p>	<ul style="list-style-type: none"> ● First Steamship: Provides afternoon tea to show care for employees' lives. ● Grand Ocean: Hosts annual group activities to support employees' physical and mental well-being. 	<ul style="list-style-type: none"> ● First Steamship: The Company and the welfare committee offer a total of 15 afternoon tea sessions throughout the year. Additionally, company policy encourages employees to leave work on time to achieve a balance between work and personal life. ● Grand Ocean: Regularly organizes group activities aimed at promoting a healthy work environment, with a total of 21 group events held.
<p>Creating an Open Communication Environment, Respecting Employees' Rights to Assemble and Associate</p>	<ul style="list-style-type: none"> ● First Steamship: Holds quarterly labor-management meetings to gather and discuss employee opinions. A welfare committee is also established, which allocates welfare funds from annual revenue to address welfare matters, and holds regular meetings to discuss various employee welfare issues while organizing various employee group activities. Through labor-management meetings, employees can voice their suggestions for improving the work environment and welfare policies. ● Grand Ocean: Communicates with employees through the union to understand their needs and expectations. All policies and systems are developed collaboratively with employee representatives to protect employees' legitimate rights. 	<ul style="list-style-type: none"> ● First Steamship: The goal is to maintain quarterly labor-management meetings to ensure that employees have effective communication channels, achieving a mutually beneficial labor-management relationship; a total of 4 labor-management meetings were held throughout the year, and the Company responded to employee feedback from both the meetings and individual reports. ● Grand Ocean: Our goal is to promote freedom of assembly and association and ensure open communication channels; union participation reached 94%.

Grand Ocean Retail Group

Grand Ocean Retail Group has established labor unions in its department stores on the mainland in accordance with legal requirements (the headquarters of Grand Ocean Retail Group has not yet met the conditions for union formation). Currently, 94% of employees participate in the union. Quarterly labor-management meetings are held to facilitate communication of employee feedback through the union and these meetings, creating a harmonious labor-management environment.

The daily "Morning Meeting Report" and the bi-monthly "Group Bi-Monthly Bulletin" provide employees with timely and effective internal information, including details about the day's duty personnel, various notifications, store news, new displays, new products, and planned activities, enabling employees to stay informed about company developments and enhancing their sense of participation.

Grand Ocean Retail Group has not experienced significant layoffs or large-scale restructuring of employee positions or work locations in recent years. Through quarterly labor-management meetings, communication between labor and management remains smooth and harmonious. The company does not have a collective agreement with employees during the fiscal year.



3.2 Occupational Health and Safety

Management Approach

- In compliance with regulations, we implement an occupational safety and health management system.

Responsible Department/ Reporting Mechanism

- Responsible Department: Administration Department
- Reporting Mechanism: Dedicated complaint hotline and mailbox

Evaluation System

- Regular assessments of environmental hazards are conducted.
- Outsourced contractors perform regular maintenance on mechanical and fire safety equipment.

Workplace health and safety are key concerns for every employee. First Steamship recognizes that a safe working environment allows employees to feel secure in their work. We have developed a safety and health management plan, committing to complying with occupational health and safety regulations in the countries where we operate. We promote safety awareness to prevent work-related injuries and have established a comprehensive management system that is continuously reviewed and improved annually, with the aim of effectively reducing work-related illnesses and injuries, providing employees with a safe and healthy working environment.

First Steamship places great importance on the health of each colleague and the safety of the work environment, which is why we have set a "Zero Harm" goal. Statistics indicate that over 80% of occupational safety incidents are caused by unsafe human behaviors. Therefore, the first step in preventing occupational accidents is to enhance employees' awareness of occupational safety and health. We hold irregular safety and health training sessions and require all employees to participate, thereby reducing the likelihood of accidents. In 2023, First Steamship reported no incidents of employee work-related ills, complaints, occupational diseases, or infections.

Occupational Health and Safety "Zero Harm" Goals

Zero-Incident

- Enhance office safety and provide a comfortable working environment.

Zero-Disease

- Encourage all employees to participate in health check-ups.

Zero-Complaint

- Establish a complaint mailbox and hotline.

Zero-Infection

- Implement effective disease prevention measures, strengthen environmental disinfection, and monitor body temperature.

● Taipei Office

The Taipei office is primarily engaged in general administrative operations with no high-risk activities. To prevent occupational hazards and ensure the safety and health of all employees, we have developed a dedicated Occupational Health and Safety Management Plan to guarantee the safe operation of all office locations, achieving the goal of zero workplace injuries, managed by the Occupational Health and Safety Supervisor. Furthermore, regular labor-management meetings are held to allow colleagues to provide timely feedback on workplace environment and welfare policies that the Company could improve.



Specific Measures for Occupational Health and Safety

Health Check-ups

- A comprehensive health check-up is conducted for all employees every two years (Once annually for individuals aged 65 and above). After assessment, the headquarters has determined that all operations are general administrative work with no high-risk activities; therefore, there are no specific health check-up items.
- In years when not all employees undergo regular health check-ups, the Company will subsidize the health check-up costs for employees, who may choose to participate voluntarily.

Education and Training

- Internal occupational safety training sessions are conducted periodically, with invitations extended to external organizations for occupational safety education and health seminars.

Office Environment Improvements

- Warning labels are placed above shredders and cutting machines to remind employees to prioritize safety.
- Non-slip mats and raised flooring are placed on wet floors in the office.
- Additional projection lights are installed, and adjustable brightness desk lamps are purchased for digital employees.
- Due to noise interference from rooftop motors, soundproof ceilings are installed above the office area, and assistance is provided for employee seating arrangements.

3.2.1 Focus on Shipping Operations Safety and Marine Environment Protection

First Steamship's core business is operating a fleet of chartered vessels. As of the end of 2024, the fleet consists of 11 ships, which are leased by shipowners or cargo owners for the transportation of international dry bulk cargo. Therefore, our employees and externally hired maritime crew work in two locations: the administrative office in Taiwan and the vessels navigating at sea. We have established different occupational health and safety standards for each location to address the specific safety needs of these diverse working environments. Additionally, we have developed policies, guidelines, and objectives for the effective management of our suppliers.

Occupational Safety and Environmental Management for Suppliers, Crew, and Raw Material Procurement

Policy

- To implement the Company's four key policies—"ensuring the safety of life and property, providing security measures for personal and property safety, maintaining the safe operation of vessels, and protecting the marine environment from pollution"—all designated suppliers are selected based on their reliable creditworthiness and long-standing relationship with the Company. The quality, pricing, and service enthusiasm of the crew, materials, and components they provide are evaluated by relevant departments at all times.

Management Guidelines

- Supplier quotations for materials or components are assessed by the Engineering Materials Department to evaluate pricing and delivery times, taking into consideration the urgency of usage on board to determine the appropriate supplier.
- The Crew Personnel Dept. reviews crew member information forms or registration documents, conducting interviews to assess their experience, qualifications, character, and health status. For foreign crew members who have not undergone interviews, an assessment of their qualifications, certifications, and medical examination reports should be conducted, along with inquiries into their work attitudes and capabilities from their previous shipping companies.
- The captain and chief engineer are interviewed by the personnel supervisor and engineering department supervisor, respectively, to determine the hiring candidates. The hiring of second mates, second engineers, and crew at or below these ranks is decided by the personnel supervisor. Hiring of the captain, chief engineer, chief mate, and chief engineer must be reviewed by relevant department supervisors and approved by the general manager before employment.
- Crew members dispatched by the Company undergo training before boarding.

Short-Term Goals

- Enhance effective communication among on-board personnel, shore-based contractors, and suppliers to reduce return and exchange rates.

Mid-Term Goals

- Continue to seek suitable suppliers who can provide products that meet safety standards and ensure professional technical capabilities to guarantee the normal operation of equipment, with the aim of reducing equipment failure rates.

Long-Term Goals

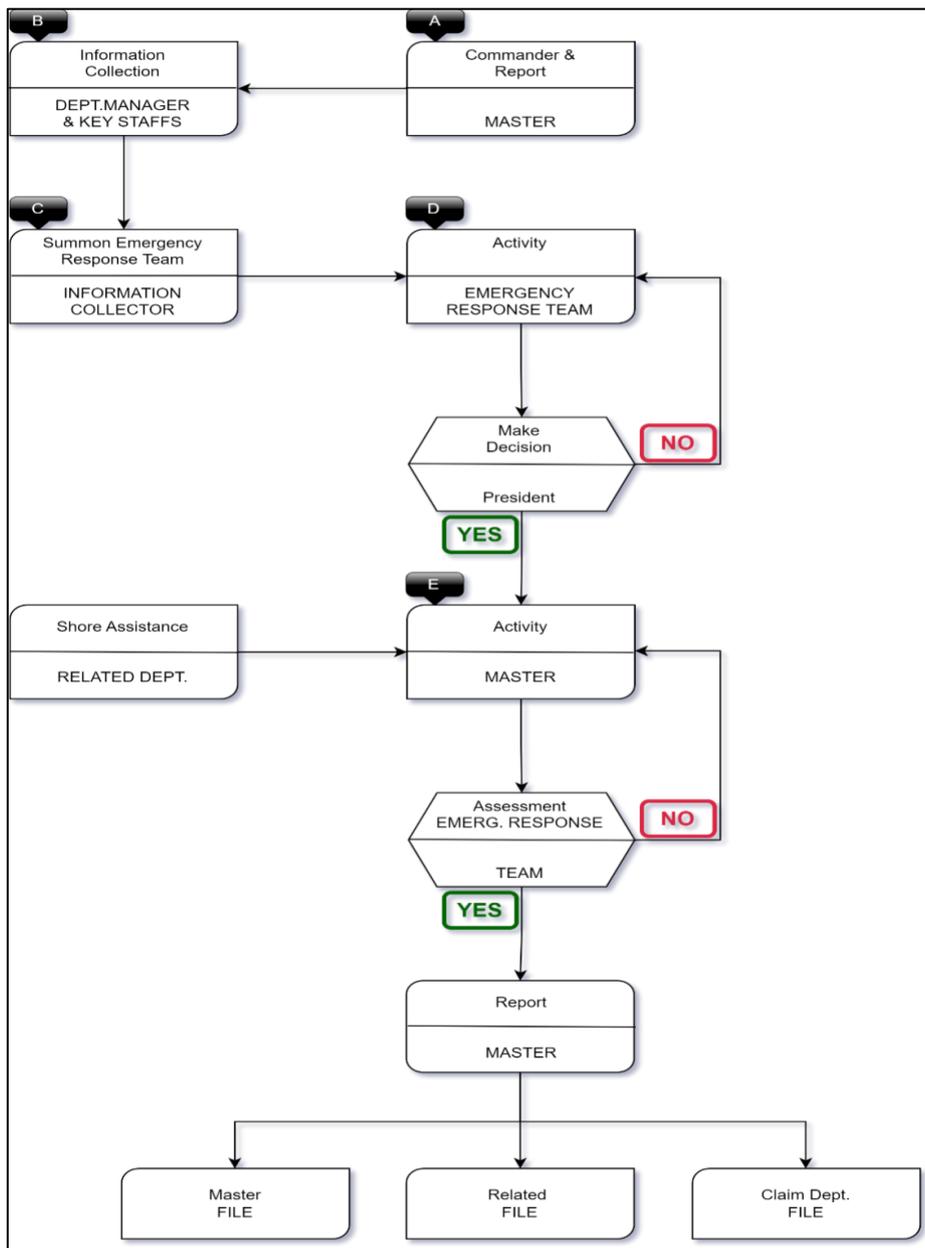
- Collaborate with suppliers to control marine environmental pollution and reduce carbon emissions.

For higher-risk operations on board, such as high-altitude work on the deck, loading and unloading operations, as well as high-temperature operations and machinery maintenance in the engine room, the Company aims to improve on-board environmental safety and establish a secure working environment. The Company adheres to the Maritime Labour Convention (MLC) and International Safety Management (ISM) Code, requiring employees to comply with company standards during operations, and enhances employee education and training. Regular inspections are arranged to prevent workplace injuries due to human error, while the Safety Management Department supervises the investigation and handling of occupational safety incidents. Each department analyzes the causes of incidents and formulates improvement measures for implementation.

To address the changing risks of maritime weather, each vessel is equipped with a meteorological navigation system. First Steamship has established occupational accident prevention plans and emergency response plans. Monthly drills are conducted for unexpected situations during voyages, with reports submitted to the shore-based safety management department.

Each vessel is equipped with a Global Positioning System (GPS), Automatic Identification System (AIS), and vessel alarm systems for distress signals, along with the newly added FOS system in 2022 to monitor vessel conditions continuously. The safety of vessels complies with the International Safety Management (ISM) Code and has obtained a Safety Management Certificate (SMC), which is issued after inspections by the Nippon Kaiji Kyokai (NK). Additionally, security systems comply with the International Ship and Port Facility Security (ISPS) Code standards, with comprehensive security measures in place, providing crew members with safety equipment to enhance their safety awareness and ensure maritime life safety.

Emergency Response Procedures



Specific Measures for Occupational Health and Safety

Health Check-Ups

- All personnel undergo labor health checks before boarding, including vaccinations for yellow fever and COVID-19, while health management is implemented on board.

Education and Training

- To familiarize on-board and shore-based colleagues with the work environment and enhance safety management, annual training on the ISM Code and fire safety courses are conducted as required.
- Risk assessments for crew members are performed, observing their physical and mental states before boarding, and enhancing pre-boarding education and training. Training is completed according to established procedures to ensure on-board personnel understand safety management systems and relevant conventions.

Operational Specifications and Inspections

- Crew members are provided with steel-toed safety boots and hard hats to protect against occupational injuries. Strict adherence to safety regulations is required for hazardous operations on board, with visual documentation submitted to the Company for operational processes.
- Departments conduct labor safety and health audits and management, with regular inspections of safety and health facilities.

Occupational Accident Response Plans

- Occupational accident prevention and emergency response plans are established, with guidance provided to relevant departments for implementation.

Vessels

- Operational procedures are established to provide safety operational guidelines and a secure working environment for vessel operations.
- All identified hazardous matters pertaining to vessels, personnel, and the environment are assessed through hazardous work checklists, on-board training, and regular safety meetings to establish appropriate safety measures.
- Through training, the safety management skills of on-board and shore-based personnel are continually enhanced, including emergency measures related to safety and environmental protection.

Emergency Medical Equipment

- Vessel safety complies with ISM and SMC regulations, and security systems adhere to ISPS standards, with comprehensive security facilities in place. Each vessel is equipped with emergency signaling devices for crew protection.
- Medical equipment is available for urgent treatment of sudden illnesses or injuries, but in severe cases, arrangements will be made to return the crew member to their home country or to local medical facilities at the port.

Contractor Management Practices

- In accordance with government directives or maritime law, all mandatory international conventions, regulations, and relevant documents for vessels are provided and continuously updated.
- Continuous verification of all mandatory regulations, guidelines, and international and flag state laws related to specific vessel types and operating areas is conducted.

Following integration of response actions for incident management, members of the company's emergency response team shall prioritize urgent incident handling over routine tasks under command.

After an incident occurs, the captain must report the circumstances to the Company, the flag state, the shipowner's protection and indemnity association, and the insurance company, proposing reviews and improvements to prevent recurrence.

Emergency Drill and Rescue



3.2.2 Health Management for Grand Ocean Retail Group Employees

Grand Ocean Retail Group has established occupational health and safety management plans, objectives, and modifications to relevant regulations. Each branch's administrative and personnel departments develop specific implementation measures based on current situations. The group's headquarters conducts annual inspections of occupational health and safety implementation, evaluates results, proposes improvements, and seeks approval from the general manager to ensure the achievement of the zero-work-injury target. In 2017, we launched safety and health seminars to enhance colleagues' awareness of workplace hazards. In 2018, we conducted fire emergency response and weight reduction seminars to improve colleagues' emergency response abilities. In 2019, we invited the health promotion department of Corning to conduct seminars on "Health Living Concepts-Establishing Preventive Health Care," enhancing colleagues' understanding of health management. From 2020 to 2022, in response to the COVID-19 pandemic, we implemented daily sanitation measures in commercial spaces, ensured cleanliness and ventilation, monitored temperatures at entrances, required employees and customers to wear masks, and maintained safe distances to effectively suppress virus transmission. In 2024, in response to foodborne illness incidents occurring within our industry, we strengthened sanitation audits to ensure the health and safety of our customers. We continued to monitor the latest developments in occupational health and safety, maintaining a high level of attention to employee safety through material, publicity, inspection, and supervision to ensure the achievement of the zero-work-injury goal.

Food Hygiene Management Mechanism

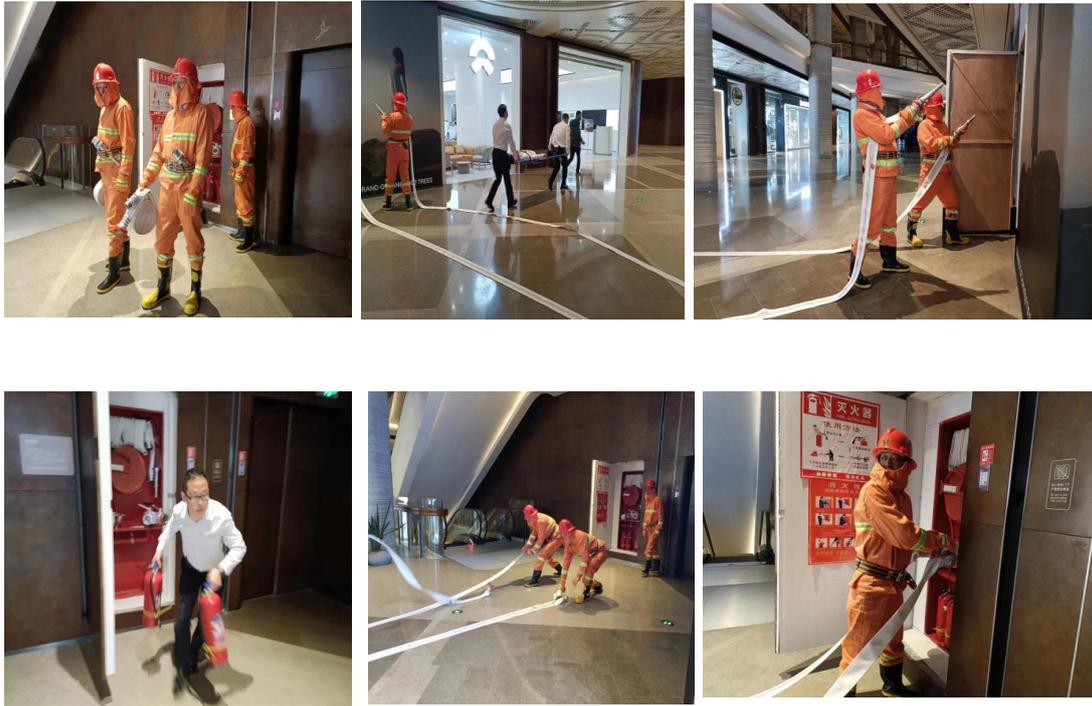
- Ensure all food ingredients are sourced from legitimate and qualified suppliers and meet hygiene standards. Regularly inspect suppliers' hygiene permits and inspection reports.
- Ingredients should be properly categorized and stored. Refrigeration and freezing equipment must undergo regular inspections to maintain appropriate temperature ranges and prevent cross-contamination. During ingredient handling, employees should wear gloves and maintain hand hygiene.
- Conduct regular food hygiene and safety training for all food service area staff, covering handwashing protocols, ingredient handling methods, cleaning and disinfection procedures, and other fundamental sanitation practices.
- Establish standard operating procedures for routine cleaning and disinfection. Perform daily cleaning and periodic disinfection of kitchen equipment, tableware, work surfaces, and other areas to prevent bacterial growth.
- Implement effective inventory management for food items. Adopt the First-In, First-Out (FIFO) principle. Regularly check food expiration dates. Discard expired items immediately; do not reuse them.

Fall Prevention Measures

- **Fall Protection Nets:** Install fall protection nets at high-level windows in department stores or other areas where objects may fall to prevent merchandise, items, or personnel from falling from heights, safeguarding the safety of customers and staff.
- **Slip Prevention Measures:** Place anti-slip mats on floors, corridors, bathrooms, and other locations, and regularly inspect surfaces for wetness, slipperiness, or foreign objects to prevent customers and employees from slipping and sustaining injuries.

Emergency Responses to Fire, Earthquake, and Other Situations

- Establish emergency response plans for fire, earthquake, and other unexpected situations.
- Conduct various safety training for employees.
- Communicate not to panic or push, using escape routes or stairways to exit to safety.
- Responsible for directing evacuation efforts.
- Constantly remind individuals to be aware of falling objects and glass fragments.
- If in an elevator, upon feeling shaking, immediately stop at all floors and exit when the elevator halts. If the elevator doors do not open, press the emergency button and call for help.



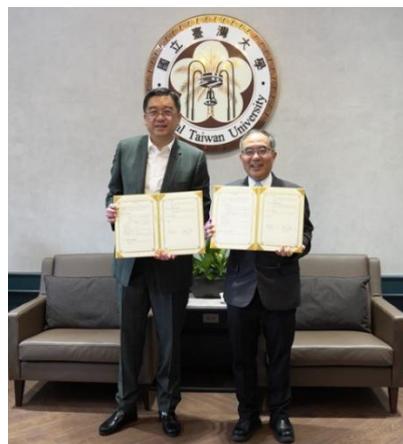
Encourage employees to engage in physical activities by organizing various recreational sports events, allowing them to balance work and life, which contributes to maintaining physical and mental health, increasing work efficiency, and promoting team bonding and collaboration.

3.3 Participation in Public Welfare

First Steamship is committed to giving back to society and actively participates in public welfare activities. The Grand Ocean Retail Group collaborates with various charitable organizations, contributing time, effort, and funds to support a wide range of initiatives. We take our social responsibility seriously and actively engage in various community service activities while encouraging our employees to participate as well. We strive to promote a culture of philanthropy within our company, believing that every little contribution can make society a better place.

- **Support for Underprivileged Students with Scholarships**

To encourage underprivileged students to focus on their studies and reward those who engage in short-term training and internships at top universities or international enterprises, First Steamship will donate NT\$2 million each year to National Taiwan University from 2023 to 2027. Of this amount, NT\$1.5 million will be allocated to the NTU Hope Scholarship for disadvantaged students, while NT\$500,000 will support scholarships for overseas study programs.



- **Sponsoring outstanding athletes to bring glory to the nation**

First Steamship actively participates in the Outstanding Athlete Sponsorship Program, providing a NT\$500,000 grant through the Hongdao Sports Development Foundation to support table tennis athlete Lin Yun-ju.

- **Participate in Green and Sustainable Fixed Deposits**

First Steamship participated in Taiwan Bank's Green and Sustainable Deposit Program, actively investing US\$1 million to contribute to environmental sustainability and social impact.

- **Grand Ocean's Participation in Public Welfare Initiatives**

- **Charity Medical Outreach Program**

Grand Ocean Yichang Store partnered with a city-level tertiary hospital to host a charity medical consultation event, where medical experts provided on-site diagnosis and answered health-related questions for Grand Ocean fans, while also promoting time-honored traditional Chinese medicine practices for wellness. This event featured 12 booths and invited 28 medical experts to provide free medical consultations for over 1,500 attendees.



- **Charity Supermarket Fundraising Event**

In early September 2024, the theme event of Shanghai's Charity Week 2024 in Putuo District—"Together for Compassion, Walking Hand-in-Hand with Goodness"—kicked off at First Steamship's Grand Ocean Qianshu Store in Shanghai. Hosted by Grand Ocean Qianshu and Longshou Charity Supermarket in Shanghai, along with other social organizations, the event featured a charitable marketplace showcasing various philanthropic initiatives. The vibrant display captured public attention, inspired widespread enthusiasm for giving, and demonstrated through concrete actions the core values of public welfare and philanthropy. The community charity market is deeply loved by local residents. The items offered at the charitable supermarket's sale attract enthusiastic purchases, allowing people not only to acquire their desired goods at discounted prices but also to help others and contribute their kindness. All proceeds from this sale will be fully dedicated to supporting and assisting vulnerable groups within the community.



➤ **"Book Fragrance for Flower Fragrance, Greenery Warms the Heart" Campaign**

On April 20, 2024, a warm and meaningful public welfare event was enthusiastically held in collaboration between First Steamship and Grand Ocean Retail Group's Xingsheng Lianhe location in Quanzhou. "Exchanging the fragrance of books for the scent of flowers, fostering greenery and warmth," this creative initiative drew in numerous compassionate individuals. At the event, participants enthusiastically responded by sorting through unused books at home and contributing them to the warm current of knowledge sharing. It is heartening to note that on the same day, 180 succulent pots and 270 books were successfully exchanged. The books, each carrying wisdom, gathered together into bundles ready to reach underprivileged students, lighting their path toward knowledge; in return, the 180 succulent pots brought vibrant greenery to participants, adding a refreshing touch of life to their surroundings. Through this exchange model, knowledge has been seamlessly bridged across mountains and seas, reaching eager learners precisely where they need it, while idle resources have been revitalized, achieving optimal reuse and sparking a community-wide movement that combines public welfare with environmental sustainability.



IV. Green, Energy Saving and Sustainability

In recent years, in response to global climate change and increasingly stringent international carbon management regulations, as well as a rising awareness of low-carbon consumption, governments and businesses worldwide have begun to prioritize environmental sustainability. First Steamship is committed to supporting government initiatives for environmental protection and energy conservation, making it one of our key objectives in the fight against climate change. We regularly review our policies for combating climate change and adopt the TCFD framework to identify climate-related risks and opportunities. Based on these assessments, we establish measurable indicators for target management to mitigate the financial impacts of climate risks on our operations.

With the rise in environmental awareness, First Steamship aims to enhance performance in environmental protection and social value. We intend to integrate green management and energy-saving initiatives into our business operations to achieve sustainable environmental development, setting ambitious goals for the future.



Note: The baseline year for the reduction quantification indicators is 2024.

Governance	<ul style="list-style-type: none"> ● Discussion and management of climate change-related issues are held through ESG group meetings.
Strategy	<ul style="list-style-type: none"> ● The risks and opportunities related to climate change are as follows: <ul style="list-style-type: none"> ➤ Transformation risk <ul style="list-style-type: none"> ◇ The trend of low-carbon economy has led to an increase in company operating costs and an increase in the rigor of green management of the supply chain. ➤ Physical risk <ul style="list-style-type: none"> ◇ In the future, the global climate temperature will continue to rise, which will lead to an increase in the electricity cost of the business site. ◇ Power and water restrictions lead to increased customer dissatisfaction. ➤ Opportunity: Achieve sustainable operation through green building, energy saving and carbon reduction planning.
Risk Management	<ul style="list-style-type: none"> ● Committed to improving the utilization efficiency of energy, paper, water and other resources, using recycled materials with low impact on the environment, and at the same time properly maintaining the use of assets to implement a low-carbon office. ● Practice responsible investment and green procurement, and give priority to purchasing products with environmental protection and energy saving labels, reusable supplies and energy-saving equipment. ● Provide high-quality goods, services and activities in compliance with domestic and foreign environmental protection laws and regulations. ● Share environmental protection knowledge and experience with company employees and suppliers, deepen awareness of sustainable development, and work with partners from all walks of life to jointly maintain environmental sustainability. ● Obtain the CII certificate and continue to manage the fuel consumption of the fleet according to SEEMP, so as to meet the assessment level of at least C after the official implementation of the CII in 2024 ● Energy-Saving Measures of First Steamship and Group Ocean Group Taipei Office <ul style="list-style-type: none"> ➤ Require the office to turn off the lights during the lunch break, and turn off the lights and air conditioners after get off work. ➤ Strengthen energy-saving publicity, and all employees participate in energy-saving actions to reduce unnecessary waste of electricity. ● Energy-Saving Measures of First Steamship and Group Ocean Group Taipei Office <ul style="list-style-type: none"> ➤ Energy-saving transformation of lamps and lanterns in shopping malls, and gradually adopt LED lamps for the original electronic lamps and T5 lamps. ➤ Energy-saving transformation of air-conditioning equipment. In shopping malls, air-conditioning accounts for about 30- 40% of electricity consumption. Each store adjusts the opening time of air-conditioning according to the weather conditions to continuously reduce the electricity consumption of air-conditioning systems. ➤ Strengthen energy-saving publicity, and all employees participate in energy-saving actions to reduce unnecessary waste of electricity. ➤ Promoting green buildings, improving building energy efficiency and strengthening the implementation of low-carbon life can reduce the demand for electricity and power generation.
Indicators and Targets	<ul style="list-style-type: none"> ● Reduce the intensity of energy and GHG emissions. ● Promote green building design projects for new shopping malls.

4.1 Energy Management

Responsible Department/ Reporting Mechanism

- The First Steamship and Grand Ocean Retail Group Taipei office is managed by the Administration Department, which serves as the point of contact in case of any anomalies.
- The Grand Ocean Retail Group mainland operations are overseen by the General Management Office, where internal meetings are held for discussion.

Evaluation System

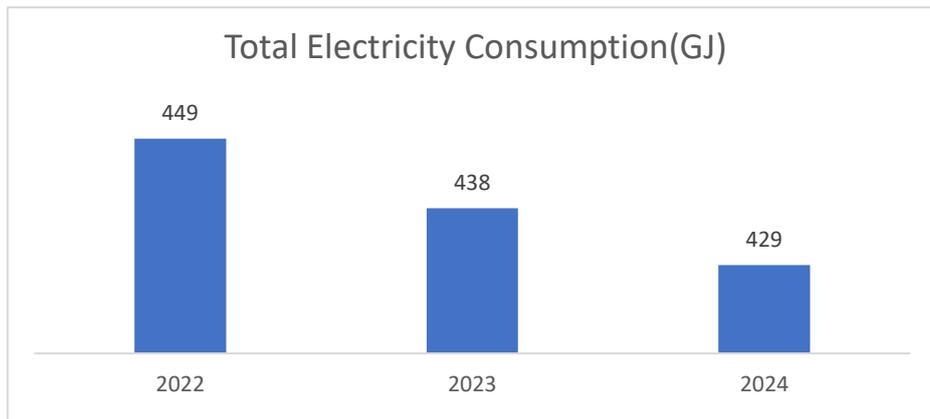
- When equipment malfunctions, contact the administrative department to arrange for repairs by the maintenance vendor.
- Discuss the causes of any abnormal energy usage.
- Currently, GHG inventory data is based on electricity emission levels.

Implementation

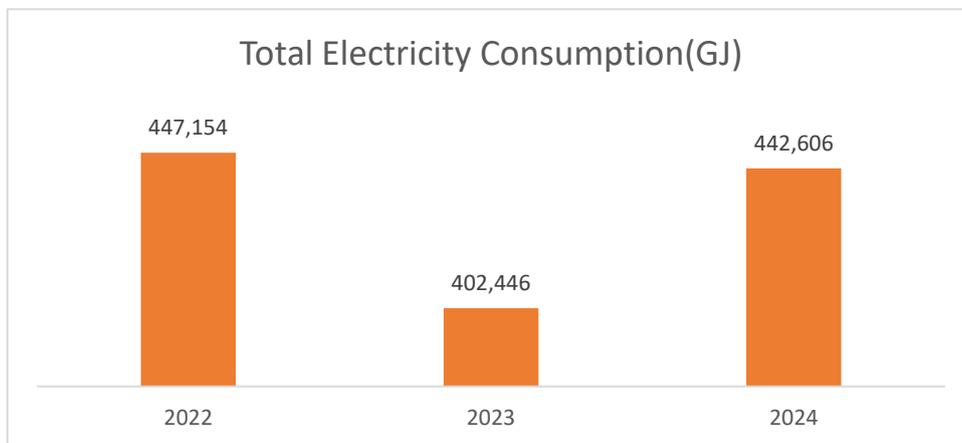
- We are acutely aware of the severe impacts of climate change on human life. Therefore, in addition to fostering a green culture within the organization, we are committed to addressing environmental challenges by rethinking our operations. We recognize the importance of environmental protection and the ecological impact of global warming, and we actively promote energy conservation and carbon reduction initiatives.

While First Steamship does not typically impose a significant environmental burden during its operations, we remain dedicated to minimizing potential environmental impacts that may arise during service delivery. Given our commitment to public health risk management, we believe that a healthy body is grounded in a healthy environment. Only by confronting the effects of climate change can we achieve our sustainability goals as a business.

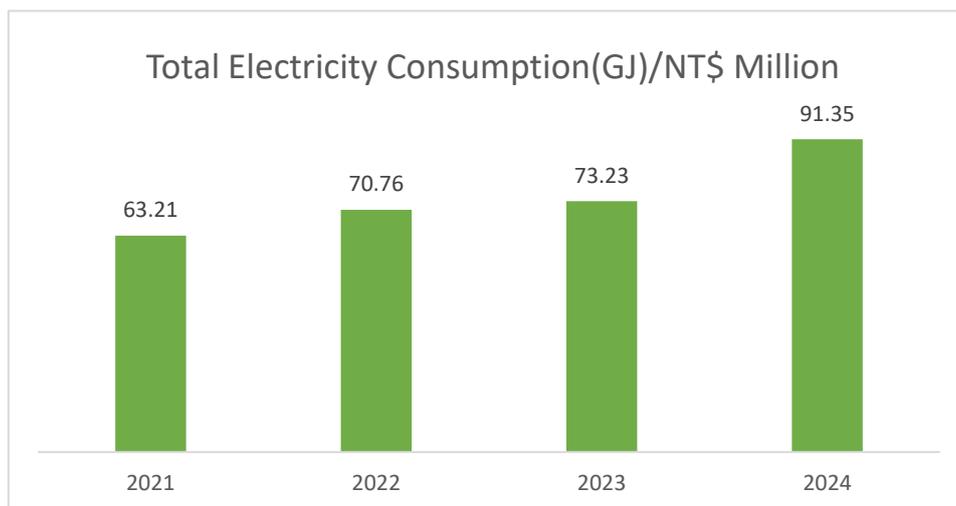
The First Steamship and Grand Ocean Retail Group Taipei office



The Grand Ocean Retail Group mainland operations



The combined Energy Intensity of
The First Steamship and Grand Ocean Retail Group



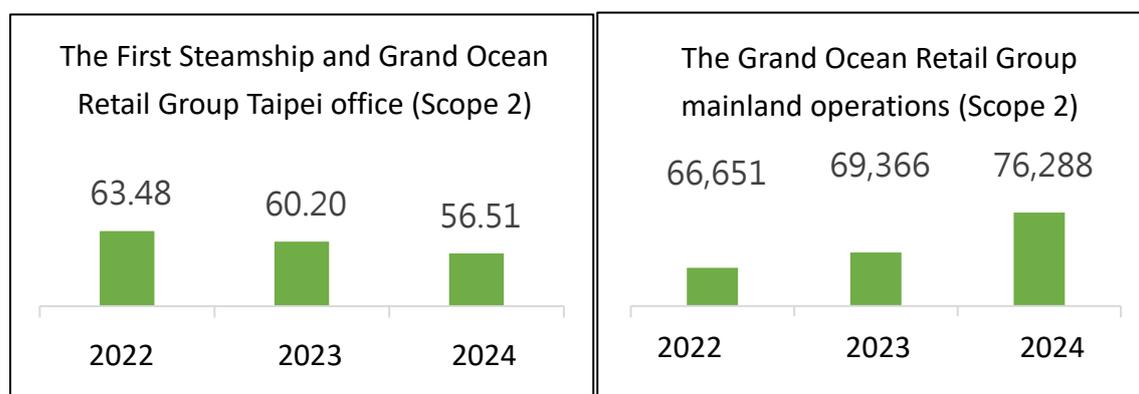
4.2 GHG Emissions

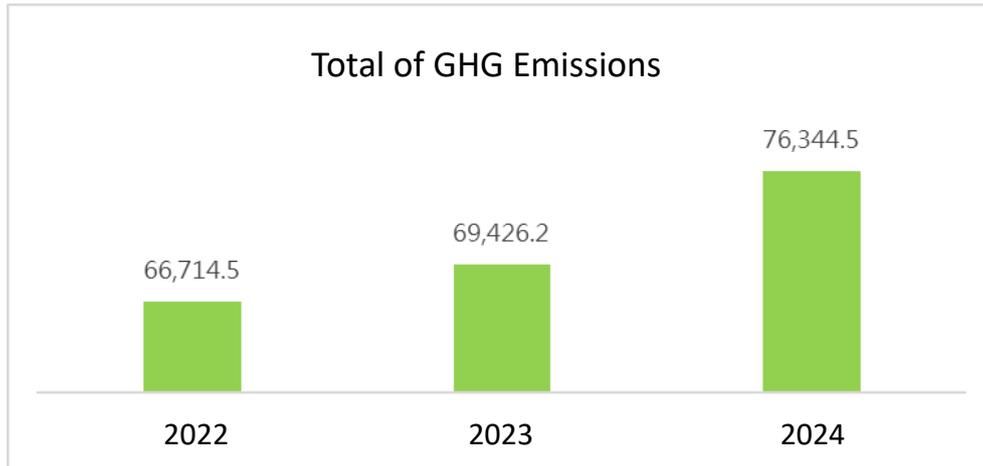
GHG emissions causing climate anomalies represent a significant environmental issue that is a shared global concern. First Steamship has independently estimated its GHG emissions based on total electricity consumption, allowing for an understanding of current trends and proactive measures.

In response to recent amendments approved by the International Maritime Organization's Marine Environment Protection Committee regarding the International Convention for the Prevention of Pollution from Ships, new mandatory measures have been established to reduce GHG emissions in the global shipping industry. These measures aim to ensure that previously set targets for reducing ship-related GHG emissions are met. In alignment with international standards and the spirit of environmental conservation, the Company will continue to monitor relevant measures and will implement early upgrades to ship equipment to achieve carbon reduction objectives.

The 2024 electricity consumption scope covers 15 shopping malls. Due to the trial operation of Grand Ocean Retail Group's Wuhan Grand Ocean Center and its official opening in September 2024, coupled with increased foot traffic across all stores compared to 2023, electricity usage rose in 2024. However, in recent years, Grand Ocean Retail Group has continuously implemented energy-saving improvements by replacing lighting fixtures and air conditioning systems, resulting in a significant reduction in greenhouse gas emissions. First Steamship and Grand Ocean Retail Group's office facilities completed their self-conducted inventory for 2024, with Scope 1 emissions totaling 19.7703 metric tons of CO₂e.

Unit: Metric tons CO₂e

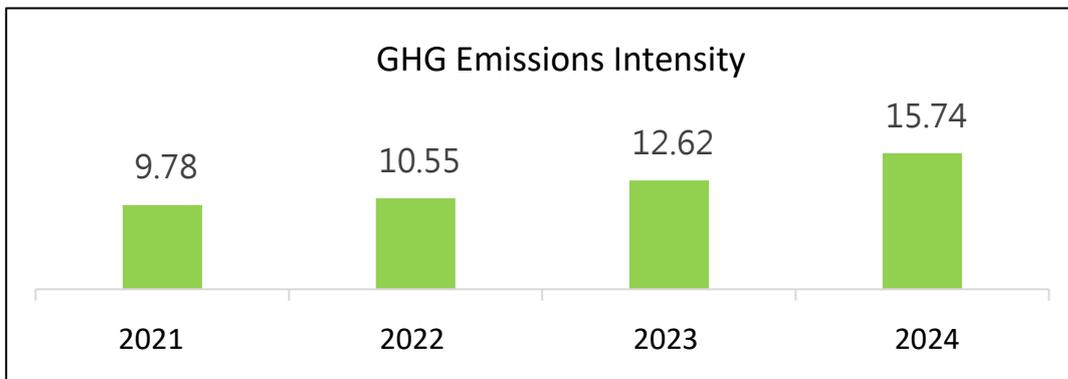




Note 1: According to the Ministry of Economic Affairs' Energy Bureau, the CO₂ electricity emission factors are 0.495 metric tons CO₂e per 1,000 kWh for 2022 , 0.494 metric tons CO₂e per 1,000 kWh for 2023, and . 0.474 metric tons CO₂e per 1,000 kWh for 2024.

Note 2: For Grand Ocean Commercial's electricity coefficient, the average emission factor for the national grid, as published by the Ministry of Ecology and Environment of the People's Republic of China, the CO₂ electricity emission factors are 0.5366 metric tons CO₂e per 1,000 kWh for 2022 and the CO₂ electricity emission factors are 0.6205 metric tons CO₂e per 1,000 kWh for 2023. As the values for 2024 have not yet been announced, the emission factor from 2023 will be used for calculations.

Unit: Metric Tons CO₂e/ NT\$ Million in Revenue



In response to climate change, First Steamship has introduced the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) for its fleet. EEXI requires ships to possess performance that meets the environmental and energy-efficient requirements at the design stage. Fuel must be used in the most efficient manner on the grounds that shipments of a certain volume can be completed. Ships failing the expected criteria and causing pollution will be restricted or adjusted. IMO devised the energy efficiency of existing ship index (EEXI), aiming to improve a ship's energy efficiency and reduce GHG emissions from the shipping industry. The

4.3 Water and Effluents

Energy-Saving Measures of First Stewardship and Grand Ocean Retail Group Taipei Office

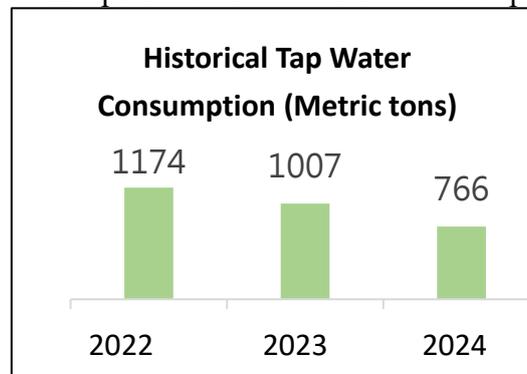
•First Steamship’s water resource management principles focus on promoting water conservation and reducing water usage. To achieve this goal, the strategy begins with daily water-saving measures and implements effective water resource management practices to significantly lower water consumption. In 2019, faucets were upgraded to sensor-operated models, and water usage continues to be monitored as of 2024.

Water Resource Management Measures at Grand Ocean Department Store

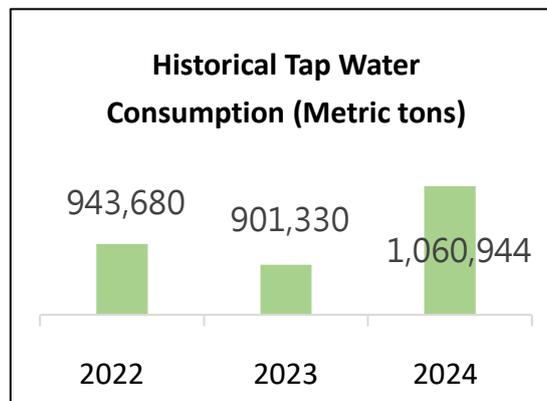
•To prevent environmental pollution, Grand Ocean Department Store emphasizes that prevention is better than treatment. The Company is committed to enhancing the efficiency of resource utilization. Approximately 80% of domestic wastewater volume corresponds to annual tap water consumption, primarily treated through grease traps and sewage treatment before being discharged into the sewer system. The discharged wastewater is monitored and tested by local government agencies to ensure compliance with national discharge water standards.

- By strengthening on-site management, the Company aims to reduce water waste.
- Some water resources are recycled for reuse.
- Water-saving devices are adopted to achieve reduced consumption.

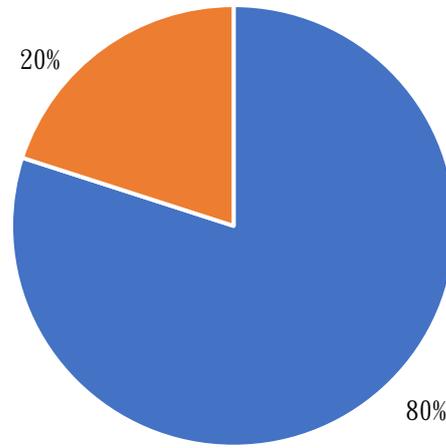
The First Steamship and Grand Ocean Retail Group Taipei office



The Grand Ocean Retail Group mainland operations



Grand Ocean Department Store in
2024 Tap Water Usage



- 80% Discharged as wastewater
- 20% Used for drinking water and recycled water

Note: The water usage for 2024 includes all shopping centers and two administrative offices.

4.4 Garbage Management

Management Approach

- Implement Waste Sorting to Create a Better Life.

Responsible Department/ Reporting Mechanism

- The Business Department and Safety Management Department are responsible and have dedicated hotlines and email addresses.

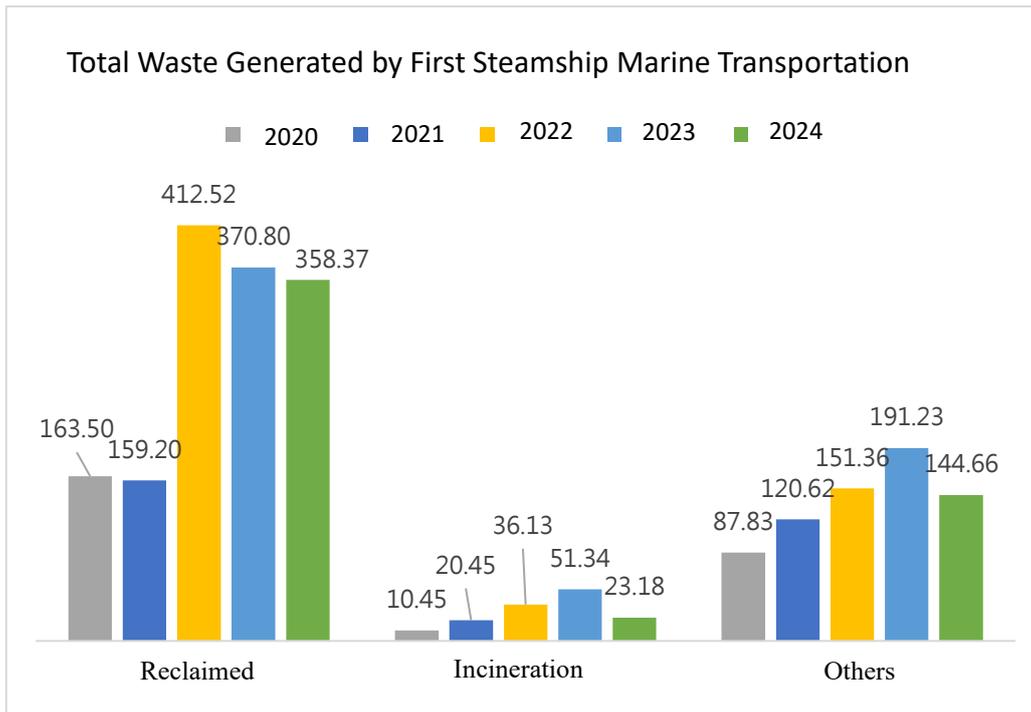
Evaluation System

- Qualified outsourcing for waste collection and disposal vendors.
- Waste inspection mechanism.

First Steamship upholds the principle of protecting the marine environment from pollution by implementing waste management measures to prevent marine debris. The types of waste generated by the 11 vessels of First Steamship and their recycling and disposal methods are as follows:

- A. Plastics
- B. Food wastes
- C. Domestic wastes
- D. Cooking oil
- E. Incinerator ashes
- F. Operational wastes
- G. Animal carcasses
- H. Fishing gear
- I. E-waste
- J. Cargo residues (non-HME)
- K. Cargo residues (HME)

Unit: Metric tons



Note: First Steamship measures vessel waste in cubic meters. To ensure consistency in reporting units, the Company converts the volume to metric tons at a 1:1 ratio for the total waste generated by the 11 vessels. All 11 types of waste are classified as non-hazardous industrial waste.

Appendix 1 GRI Content Index

★ Means the Material Topics

Statement of Use	First Steamship has reported content for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Currently, there are no applicable GRI sector standards.

Topic	Disclosure Item	Disclosure Description	Chapter	Page No.	Reasons for Omission/ Necessary Explanations
GRI 2: General Disclosures 2021					
The Organization and Its Reporting Practices	2-1	Organization Details	1.1 About First Steamship	28	
	2-2	Entities Included in the Organization's Sustainability Reporting	About This Report/ ESG Disclosure	9	
	2-3	Reporting Period, Frequency, and Contact Information	About This Report/ ESG Disclosure 、 Publication Frequency 、 Feedback	9 11	
	2-4	Restatements of Information	About This Report/ ESG Disclosure	9	
	2-5	External assurance	About This Report/ Basis of Composition	9	
Activities and workers	2-6	Activities, Value Chain and Other Business Relationships	1.1 About First Steamship	28	
	2-7	Employees	3.1.1 Employment Structure	103	
	2-8	Workers Who are not Employees	3.1.1 Employment Structure	103	
Governance	2-9	Governance Structure and Composition	1.2.1 Board of Directors	33	
	2-10	Nomination and Selection of the Highest Governance Body	1.2.1 Board of Directors	33	

	2-11	Chair of the Highest Governance Body	1.2.1 Board of Directors	33	
	2-12	Role of the Highest Governance Body in Overseeing the Impact Management	Stakeholder Engagement/ Stakeholder Communication 1.2.1 Board of Directors	13 33	
	2-13	Delegation of Responsibility for Managing Impacts	Stakeholder Engagement/Promotion of Sustainable Development	24	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	Stakeholder Engagement/ Promotion of Sustainable Development	24	
	2-15	Conflict of Interest	1.2.1 Board of Directors	33	
	2-16	Communication of Critical Concerns	Stakeholder Engagement/ Stakeholder Communication 1.2.1 Board of Directors	13 33	
	2-17	Collective Knowledge of the Highest Governance Body	1.2.1 Board of Directors	33	
	2-18	Evaluation of the Performance to the Highest Governance Body	1.2.1 Board of Directors	33	
	2-19	Remuneration Policies	1.2.3 Remuneration Committee	38	
	2-20	Process to Determine Remuneration	1.2.3 Remuneration Committee	38	
	2-21	Annual Total Compensation Ratio	-	-	Confidentiality Provisions/ Compensation as Company Confidential Information
Strategy, Policies And Practices	2-22	Statement on Sustainable Development Strategy	Message from the Chairman	4	
	2-23	Policy Commitments	2.1.3 Supplier Management 3.1.6 Employee Care	91 129	

	2-24	Embedding Policy Commitments	2.1.3 Supplier Management 3.1.6 Employee Care	91 129	
	2-25	Processes to Remediate Negative Impacts	Stakeholder Engagement/ Stakeholder Communication 1.2.1 Board of Directors	13 33	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	Stakeholder Engagement/ Stakeholder Communication	13	
	2-27	Compliance with Laws and Regulations	1.5 Compliance with Laws and Regulations	59	
	2-28	Membership Associations	1.1.1 Participation in External Organizations	30	
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	Stakeholder Engagement/ Stakeholder Communication	13	
	2-30	Collective Bargaining Agreements	-	-	Not applicable/The company has not signed a labor union agreement with its employees. Instead, smooth communication is achieved through quarterly labor-management meetings, resulting in harmonious labor-management relations.
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to Determine Material Topics Disclosure	Identification of Significant Topics and Boundaries	17	

	3-2	List of Material Topics	Identification of Significant Topics and Boundaries	17	
Economic Aspect					
★Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 1.6 Economic Performance	50 63	
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	1.6 Economic Performance	63	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	IV. Green, Energy Saving and Sustainability	147	
	201-3	Definition of Benefit Plan Obligations and Other Retirement Plans	3.1.3 Retirement Plan	112	
★Ethics Integrity					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.3 Ethics Integrity 1.4 Risk Management	45 50	
Custom Topic	Integrity-1	Records of Integrity Violations Reported by Personnel for the Year	1.3 Ethics Integrity	45	
★Cybersecurity					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 1.7 Cybersecurity	50 71	
Custom Topic	Cybersecurity-1	Records of Cybersecurity Incidents Occurring in the Year	1.7 Cybersecurity	71	
★Customer Relationship					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 2.2 Customer Relationship Management	50 94	

Custom Topic	Customer - 1	Customer complaint handling in the Year	2.2 Customer Relationship Management	94	
Environmental Aspect					
★Energy					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 4.1 Energy Management	50 149	
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	4.1 Energy Management	149	
	302-2	Energy Consumption Outside of the Organization	-	-	Data acquisition incomplete/ Data collection mechanism not yet established.
	302-3	Energy intensity	4.1 Energy Management	149	
	302-4	Reduction of Energy Consumption	-	-	Data acquisition incomplete/ Data collection mechanism not yet established.
	302-5	Reductions in Energy Requirements of Products and Services	-	-	Data acquisition incomplete/ Data collection mechanism not yet established.
Water and Effluents					
GRI 303: Water and Effluents 2018	303-3	Water Withdrawal	4.3 Water and Effluents	154	
★Emissions					

GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 4.2 GHG Emissions	50 151	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	4.2 GHG Emissions	151	
	305-2	energy indirect (Scope 2) GHG Emissions	4.2 GHG Emissions	151	
	305-3	Other indirect (Scope 3) GHG Emissions	-	-	Data acquisition incomplete/ Data collection mechanism not yet established.
	305-4	GHG Emissions Intensity	4.2 GHG Emissions	151	
	305-5	Reduction of GHG Emissions	-	-	Data acquisition incomplete/ Data collection mechanism not yet established.
	305-6	Emissions of Ozone-Depleting Substances	-	-	Not applicable/ The Company does not emit such substances.
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gas Emissions	-	-	Not applicable/ The Company does not emit such substances.
Waste					
GRI 306: Effluents and Waste 2016	306-3	Waste Generated	4.4 Garbage Management	156	
Social Aspect					
★Employment					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 3.1.2 Remuneration and Benefit	50 110	

GRI 401: Employment 2016	401-1	New Hires and Departed Employees	3.1.1 Employment Structure	103	
	401-2	Benefits Provided To Full-Time Employees that are not Provided to Temporary or Part-Time Employees	3.1.2 Remuneration and Benefit	110	
	401-3	Parental Leave	3.1.2 Remuneration and Benefit	110	
	Compensation	Disclose the number of full-time employees who are not in managerial positions, the average and median salaries of such employees, and the differences between these figures and those of the previous year.	3.1.2 Remuneration and Benefit	110	
Labor/ Management Relations					
GRI 402: Labor/ Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	3.1.6 Employee Care	129	
★Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 3.2 Occupational Health and Safety	50 133	
GRI 403: Occupational Health and Safety 2018 Management Policy	403-1	Occupational Health and Safety Management System	3.2 Occupational Health and Safety	133	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	3.2 Occupational Health and Safety	133	
	403-3	Occupational Health Services	3.2 Occupational Health and Safety	133	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	3.2 Occupational Health and Safety	133	
	403-5	Worker Training on Occupational Health and Safety	3.2 Occupational Health and Safety	133	

	403-6	Promotion of Worker Health	3.2 Occupational Health and Safety	133	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	3.2 Occupational Health and Safety	133	
GRI 403: Occupational Health and Safety 2018	403-8	Workers Covered by an Occupational Health and Safety Management System	3.2 Occupational Health and Safety	133	
	403-9	Work-Related Injuries	3.2 Occupational Health and Safety	133	
	403-10	Work-Related Ill Health	3.2 Occupational Health and Safety	133	
Training and Education					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 3.1.5 Talent Cultivation	50 118	
GRI 404: Training and Education 2016	404-1	Average Training Hours per Year per Employee	3.1.5 Talent Cultivation	118	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	3.1.5 Talent Cultivation	118	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	3.1.5 Talent Cultivation	118	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3.1.1 Employment Structure	103	
★Customer Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of Material Topic	1.4 Risk Management 2.1.1 Voyage Safety Assessment 2.1.2 Comfortable and Safe Department Stores	50 73 86	

GRI 416: Customer Health and Safety 2016	416-1	Assessing the Impact of Product and Service Categories on Health and Safety	2.1.1 Voyage Safety Assessment 2.1.2 Comfortable and Safe Department Stores	73 86	
	416-2	Incidents of Violations of Health and Safety Regulations Related to Products and Services	1.5 Compliance with Laws and Regulations	59	
★Customer Privacy					
GRI 418: Customer Privacy 2016	418-1	Verified Complaints of Violations of Customer Privacy or Loss of Customer Data	2.2.3 Customers Information Protection	102	

Appendix 2 SASB Index Comparison Table

Applicable SASB Sector Standards: 1. Consumer Products/ Multi-Line, Specialty Retailers and Distributors 2. Transportation/ Marine Transportation

1. SASB Index Comparison Table (Consumer Products/ Multi-Line, Specialty Retailers and Distributors)

Topic	No.	Accounting Metrics and Explanations	Description	Unit
Energy Management for Retailers	CG-MR-130a.1	(1) Total Energy Consumption (2) Percentage of Purchased Electricity (3) Percentage of Renewable Energy	(1) 442,606 GJ (2) 100% (3) 0%	(GJ), %
Data Security	CG-MR-230a.1	Methods for Identifying and Addressing Data Security Risks	Prevent unauthorized access to company data and systems by establishing firewalls, regularly scanning operating systems and files, changing server account passwords periodically, and regularly overwriting network System Logs to monitor for abnormal conditions.	Descriptive Statement
	CG-MR-230a.2	(1) Number of Data Breaches (2) Percentage of Breaches Involving Personal Identifiable Information (3) Number of Affected Customers	(1) 0 (2) 0% (3) 0	Figures %
Labor Practices	CG-MR-310a.1	(1) Average Hourly Wage (2) Percentage of in-store employees earning minimum wage, by region	(1) NT\$203/ hour (2) 0.48%, Mainland China	Currency %
	CG-MR-310a.2	(1) Voluntary turnover rate of in-store employees (2) Voluntary turnover rate	(1) 100% (2) 0%	%
	CG-MR-310a3	Total monetary loss due to legal actions related to violations of labor laws	0, no occurrences.	Reporting Currency

Topic	No.	Accounting Metrics and Explanations	Description	Unit
Labor Diversity and Inclusion	CG-MR-330a.1	(1) Management (2) Proportion of Gender and Racial/Ethnic Representation Among All Other Employees:	(1) Management Gender: Male 56%, Female 44%; Race: Asian 100%, Non-Asian 0%. (2) Other Employees Gender: Male 48%, Female 52%; Race: Asian 100%, Non-Asian 0%.	%
	CG-MR-330a.2	Total Monetary Loss Due to Legal Actions Related to Employment Discrimination	0, no occurrences.	Reporting Currency
Product Procurement, Packaging, and Sales	CG-MR-410a.1	Revenue from Products Certified by Third-Party Environmental/ Social Sustainability Standards	Grand Ocean Retail Group's business model is not applicable, thus no disclosure.	Reporting Currency
	CG-MR-410a.2	Discussion of processes for assessing and managing risks and hazards related to chemicals in products	Grand Ocean Retail Group's business model is not applicable, thus no disclosure.	Descriptive Statement
	CG-MR-410a.3	Discussion of Strategies to Reduce the Environmental Impact of Packaging	Grand Ocean Retail Group's business model is not applicable, thus no disclosure.	Descriptive Statement

Activity indicators

Number (1) Retail locations (2) Distribution centers	CG-MR-000.A	(1) 14 locations (2)N/A
Total area(1)Retail space (2) Distribution center	CG-MR-000.B	(1) 659,944 square meters (m ²) (2)N/A

2. SASB Index Comparison Table (Transportation/ Marine Transportation)

Topic	No.	Accounting Metrics and Explanations	Description	Unit
GHG Emissions	TR-MT-110a.1	Total Emissions Global Benchmark	First Steamship's owned vessels leased to customers are not subject to this standard; therefore, they are not disclosed.	Metric tons CO ₂ e
	TR-MT-110a.2	Discussion of the management scope of emissions and the long- or short-term strategies or plans for emission reduction targets, specifically regarding performance analysis against these targets.	In accordance with international regulations: compliance with EEXI and CII, using FOS to enhance ship energy efficiency management. By 2030, carbon intensity of international shipping must be reduced by at least 40% compared to 2008 levels. The GHG (GHG) reduction target for 2050 aims for net-zero GHG emissions, with corresponding interim targets set (at least 20% GHG reduction by 2030 and at least 70% by 2040). Furthermore, by 2030, at least 5% of the energy used by international shipping must come from zero (or near-zero) GHG emission technologies or fuels.	Explanation
	TR-MT-110a.3	(1) Total Energy Consumption (2) Percentage of Heavy Oil (3) Percentage of Renewable Energy	First Steamship's owned vessels leased to customers are not subject to this standard; therefore, they are not disclosed.	(GJ), %
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for New Vessels	Total of four new vessels: EVER SHINING:3.28 EVER EXCELLENT:3.27 EVER IMPERIAL:3.54 MEDI AERO:4.08	CO ₂ e per ton-nautical mile
Air Quality	TR-MT-120a.1	Emissions of the following air pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , Particulate Matter (PM10)	Not applicable	Metric tons

Topic	No.	Accounting Metrics and Explanations	Description	Unit
Ecological Impact	TR-MT-160a.1	Shipping duration in Marine Protected Areas or protected status zones:	345 days	Number of Days
	TR-MT-160a.2	Percentage of fleet implementing (1) ballast water exchange and (2) treatment:	100%	%
	TR-MT-160a.3	(1) Quantity and (2) total amount of leakage and release into the environment.	0, no occurrences.	Cubic Meters
Employee Health and Safety	TR-MT-320a.1	Lost Time Incident Rate (LTIR)	0%	%
Business Ethics	TR-MT-510a.1	Number of port calls in the 20 countries/ regions with the lowest transparency rankings according to the International Corruption Index:	0	Figures
	TR-MT-510a.2	Total monetary losses due to legal litigation related to bribery or corruption.	0, no occurrences.	Reporting Currency
Incident & Safety Management	TR-MT-540a.1	Number of maritime fatalities classified as very serious, as a percentage:	0%	Figures %
	TR-MT-540a.2	Categorical conditions or recommendations.	3 Non-Conformity (NC)	Figures
	TR-MT-540a.3	Port State Control: (1) Number of Deficiencies and (2) Number of Detentions:	(1) 78def (2) 1 detained	Figures

Activity indicators

Number of crew members onboard	TR-MR-000.A	224
Total Vessel Navigation Distance	TR-MR-000.B	628,216.2 nautical miles

Operating Days	TR-MR-000.C	3,924 days
Gross tonnage	TR-MR-000.D	388.306 thousand deadweight tons
Number of vessels	TR-MR-000.E	11
Number of vessel port calls	TR-MR-000.F	158
20-foot Equivalent Unit (TEU) capacity	TR-MR-000.G	N/A, First Steamship's vessels are not container ships.

Appendix 3 Climate Information of TWSE/ TPEX-Listed Companies

Disclosure in accordance with Appendix 2 of the Regulations Governing the Preparation and Filing of Sustainable Reports by Listed Companies.

1. Risks and Opportunities Posed by Climate Change to the Company and the Related Response Measures Taken by the Company.

Item	Chapter of Reporting Disclosure
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	IV. Green, Energy Saving and Sustainability
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	IV. Green, Energy Saving and Sustainability
3. Describe the financial impact of extreme weather events and transformative actions.	IV. Green, Energy Saving and Sustainability
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	IV. Green, Energy Saving and Sustainability
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Contextual analysis tools have not yet been used.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	IV. Green, Energy Saving and Sustainability
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Carbon pricing has not been planned for the current year.
8. renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	IV. Green, Energy Saving and Sustainability
9. GHG Inventory and Assurance Status	IV. Green, Energy Saving and Sustainability GHG inventory have been conducted for the current year, but assurance is not yet.

<p>Basic information of our company</p> <ul style="list-style-type: none"> <input type="checkbox"/> Company with a capital of over 10 billion NT dollars 、 Steel Industry 、 Cement Industry <input checked="" type="checkbox"/> Company with a capital of over 5 billion but less than 10 billion NT dollars <input type="checkbox"/> Company with a capital of less than 5 billion 	<p>According to the sustainable development roadmap of listed companies, at least</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual inventory of parent company <input type="checkbox"/> Inventory of subsidiaries with consolidated financial statements <input type="checkbox"/> Parent company individual completion confirmation <input type="checkbox"/> Consolidated financial statements of subsidiaries
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First Steamship, a publicly listed company with a capital of over 5 billion but less than 10 billion NT dollars. In accordance with the sustainable development roadmap for listed companies, FIRST STEAMSHIP has completed the 2024 greenhouse gas inventory of individual companies in 2025 and expects to conduct a greenhouse gas inventory of consolidated subsidiaries in 2026. In 2027, we will complete the verification of individual companies. In 2028, we will complete the verification of consolidated subsidiaries .

1-1 GHG Inventory and Assurance Status of the Company in the Last Two Years

1-1-1 GHG Inventory Information

Describe the GHG emissions (metric tons of CO₂e), intensity (metric tons CO₂e/ NT\$ million), and the scope of the data for the last two years.

The scope of the 2023 GHG inventory: Scope 1 includes only the First Steamship's Taipei office, while Scope 2 encompasses the Taipei offices of both First Steamship and Grand Ocean, as well as the Grand Ocean Commercial Plaza.

GHG emissions for 2023: 69,426 metric tons CO₂e.

2023 Intensity: 12.62 metric tons CO₂e per million revenue.

The scope of the 2024 GHG inventory: Scope 1 includes only the First Steamship's Taipei office, while Scope 2 encompasses the Taipei offices of both First Steamship and Grand Ocean, as well as the Grand Ocean Commercial Plaza.

GHG emissions for 2024: 76,344 metric tons CO₂e.

Intensity in 2024: 15.74 metric tons CO₂e per million revenue.

1-1-2 Information on GHG Verification

Describe the information of the most recent two years annual report, including the scope of confirmation, confirmation organization, confirmation criteria, and confirmation opinion.

First Steamship disclosed that the total GHG emissions will be 69,426 metric tons of CO₂e in 2023 and 76,344 metric tons of CO₂e in 2024 (accounting for 100% of the total emissions).

The GHG information has been self-estimated by First Steamship and has not been verified by an assurance organization under the ISAE 3410/ ISO 14064-3 standards.

First Steamship plans to complete verification of its individual company data by 2027.

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Short-term Goals:

Complete the self-assessment of greenhouse gases by 2024.

Mid-term Goal:

In 2026, Complete greenhouse gas inventory for subsidiaries included in consolidated financial statements and establish 2025 as the base year for subsidiaries included in consolidated financial statements.

Achieve verification of greenhouse gases by 2027.

Completion of GHG inventory of the subsidiaries in consolidated financial statements in 2028

Expected GHG reduction of 15% by 2030.

Long-term Goal:

Expected GHG reduction of 30% by 2040.

Expected GHG reduction of 50% by 2050 and carbon neutrality.



Address: 14F., No. 237, Sec. 2, Fuxing S. Rd., Taipei City

Tel: (02)2706-9911

FAX: (02)2706-9922

Website: www.firsteam.com