STARLUX

2023
SUSTAINABILITY REPORT

CONTENTS

A Message from the Management

STARLUX Airlines, founded in May 2018 by CHANG Kuo-Wei, was built out of a passion for aviation and a commitment to creating a premium airline with high-end service. As the COVID-19 pandemic subsided in 2023, passenger numbers experienced explosive growth, marking the company's first "operational year" under normal travel conditions. The airline expanded its network across Southeast and Northeast Asia, and launched its first North American route to Los Angeles in April 2023, followed by San Francisco in December, thus extending its global operational network.

Leveraging Taiwan's advantageous geographic position as an Asia-Pacific hub, STARLUX aims to expand its Pacific network and transform Taoyuan International Airport into an aviation transit hub, focusing on the intercontinental transfer market between Southeast Asia and North America. We also formed a partnership with Alaska Airlines, the fifth-largest airline in the United States, enabling passengers to connect to STARLUX flights through Alaska's North American network. In 2023, STARLUX achieved record-breaking annual revenue of TWD224.72 billion, a 568% year-on-year increase. The airline's fleet, comprising next-generation Airbus aircraft known for their eco-friendliness and cabin comfort, is expected to grow to 50 aircraft in the future, including additional A350F freighters and A330neo aircraft to enhance both passenger and cargo capacity.

As a leading innovator in the global aviation industry, STARLUX is dedicated to aligning with the United Nations Sustainable Development Goals (SDGs), the International Civil Aviation Organization's (ICAO) decarbonization roadmap, and national policies targeting "Net Zero Emissions by 2050". In 2023, the Board of Directors approved the establishment of the "Corporate Sustainability Committee" to develop a comprehensive corporate sustainability governance framework focusing on environmental protection, social prosperity, and corporate governance performance. STARLUX joins the Civil Aviation Administration of Taiwan's "Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)" in 2023, laying a solid foundation for international aviation carbon emissions management and offsetting. Furthermore, STARLUX publishes the very first Sustainability Report for 2023, incorporating international sustainability standards such as GRI, SASB, and TCFD frameworks, and establishing clear sustainability policies and goals.

In April 2024, STARLUX achieved dual certifications of ISO 45001 and TOSHMS, demonstrating its commitment to occupational health and safety. Additionally, for the first time, the company completed the international standard ISO 14064-1:2018 to quantify and report greenhouse gas emissions and removals, fulfilling its responsibilities as a global corporate citizen. In November 2023, STARLUX obtained the IATA Operational Safety Audit (IOSA) certification from the International Air Transport Association (IATA), adhering to the highest international standards for flight safety. The company rigorously monitors and enforces "Safety-First" principles in safety management and operational standards, continuously enhancing facilities and services to promote high standards and comply with corporate social responsibilities.

In alignment with the national pathway and strategy towards "Net Zero Emissions by 2050", STARLUX is committed to introducing the most advanced and environmentally friendly aircraft. The company continually encourages its employees to actively pursue energy efficiency improvements and sustainable operational practices. On the international stage, STARLUX became an IATA member in 2023, achieving international safety certification in record time while adhering to the operational philosophy of "Safety-First" and "Zero Accident". Future plans include the use of Sustainable Aviation Fuel (SAF), procurement of building materials and facilities with green building certifications, and enhancement of aircraft maintenance cleanliness to improve fuel efficiency. Recognizing the growing environmental concerns of Generation Z and Generation Alpha customers, STARLUX considers environmental sustainability in the selection of in-flight amenities and merchandise. The company prioritizes eco-friendly materials in product design and conception, combining service products with recyclable materials to add special value to recycled materials. In terms of onboard dining, STARLUX also practices environmental sustainability by offering unique beverages made from high-quality local agricultural products in business and first-class cabins.

For sustainable operations and to promote balanced regional development in Taiwan, we will open a new route in Taichung in 2024, making it our second operational base in Taiwan. Initially, we plan to offer routes to Macau and Da Nang, Vietnam, providing travelers in the central region with more convenient and high-quality flight experiences. We also hope to attract international tourists to experience the beauty of Central Taiwan.

Committed to its brand promise of delivering exceptional travel experiences, STARLUX is reinforcing its position as a premium boutique airline. We focus on three key performance indicators: flight safety, service quality, and customer satisfaction. This strategy is designed to differentiate STARLUX in the competitive aviation industry, strengthen its market position, and drive long-term value creation. By leveraging quality and unique experiences, we aim to enhance STARLUX global reputation and achieve sustainable growth in the international airline sector.

CEO

Chairman

About This Report

Principles of Compilation

STARLUX Airlines Co., Ltd. ("STARLUX," "JX," or "the Company") is proud to present this inaugural Sustainability Report, demonstrating our commitment to transparency and responsible business practices. This comprehensive report is meticulously prepared in alignment with the Global Reporting Initiative (GRI) Universal Standards 2021, while also incorporating frameworks from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, we've adhered to the guidelines set forth in the "Regulations for the Preparation and Submission of Sustainability Reports by Listed OTC Companies." This report serves as a testament to our dedication to sustainability and provides stakeholders with a detailed overview of our environmental, social, and governance initiatives and performance.

Reporting Period

This report primarily focuses on our performance and initiatives for fiscal year 2023. To provide comprehensive context and highlight key trends, we have included select data from 2022 and 2024. This approach offers stakeholders a more nuanced view of our company's trajectory and the effectiveness of our long-term strategies.

Scope and Data Coverage

This report's scope aligns with STARLUX's financial reporting boundaries, with any deviations clearly noted in relevant Sections. Financial data is sourced from audited reports (in TWD Thousand), while other metrics are derived from internal surveys. We employ international standards, local regulations, and industry best practices for data calculation. Quantitative indicators with specific implications are accompanied by explanatory footnotes, ensuring transparency and accuracy in our disclosure.

Date of Issue

This report is the first Sustainability Report issued by STARLUX Airlines, which will be published annually and made available for viewing and download on STARLUX official website.

Date of this Report Issuance: June 2024

Scheduled Date of Next Report Issuance: August 2025

Report Certification

This report has been verified by the British Standards Institution (BSI) in accordance with the requirements of the AA1000AS v3 Assurance Standard, and the certification statement is attached in the appendix of this Report.

Feedback

Any suggestions regarding this report or sustainability of STARLUX Airlines are sincerely welcome.

Responsible: Corporate Sustainability Committee Executive Secretary

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ESG Highlights and Achievements

2023 Highlights and Achievements

Environmental

◆ All operational sites adhere to stringent sewage treatment protocols prior to discharge. Biannual third-party water quality audits for bonded facilities and maintenance hangars consistently demonstrate full regulatory compliance throughout 2023, reinforcing our commitment to environmental stewardship and operational excellence.

◆ The newly delivered Airbus A350-900 utilizes at least 5% sustainable aviation fuel (SAF), adhering to Airbus sustainability policy and demonstrating our commitment to eco-friendly aviation practices.

◆ We've adopted the TCFD framework, integrating it into our Corporate Sustainability Committee. This initiative aims to assess climate-related risks, develop strategies, and enhance our climate resilience, reinforcing our commitment to sustainable business practices.

Social

◆ STARLUX joins the charity activities to assist disadvantaged groups, including rural children and visually impaired individuals, with a total investment of TWD610,000.

◆ STARLUX supports the Estée Lauder Group's Pink Ribbon breast cancer prevention campaign by donating airline tickets valued at TWD600,000 for their charity auction event.

◆ Two sessions of aviation summer camps are implemented, with a total investment of TWD900,000, involving 50 participants.

◆ The fluctuation range of the gender pay ratio for employees at all levels and categories does not exceed 0.2, with female salaries set at a ratio of 1.00.

◆ For full-time employees in non-managerial positions, the average salary is TWD673,977, with a median salary of TWD624,200.

◆ Training of occupational safety and health is provided to a total of 3,323 individuals, accumulate a total training duration of 12,321 hours.

◆ In response to the "Unfreezing Greenland" initiative, the documentary is featured on the in-flight entertainment system from November 2023 to November 2024.

◆ STARLUX implements its comprehensive Human Rights Policy in Q2 2024. This policy strictly prohibits child labor, forced labor, harassment, and discrimination, reinforcing our commitment to ethical business practices and employee welfare.

Governance

◆ STARLUX achieves a total annual revenue of TWD22,472,128,000 in 2023, represent a growth of approximately 568% compared to the previous year.

◆ STARLUX Corporate Sustainability Committee was established in May 2023 to hold regular meetings and report sustainability strategies and results to the Board of Directors.

◆ 100% of all employees receives anti-corruption education and training, with a total of 3,664 individuals participated.

◆ Training of the information security and personal data protection is conducted, with a total of 5,452 participants..

ESG Highlights and Achievements

United Nations Sustainable Development Goals (SDGs)

Environmental

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing the release of hazardous chemicals and materials. Halve the proportion of untreated wastewater and significantly increase global recycling and safe reuse rates.

7.a By 2030, enhance international cooperation to facilitate access to clean energy and technology pipelines, including renewable energy, energy efficiency, more advanced and cleaner petrochemical fuel technologies, and promote investment in energy infrastructure and clean energy technology.

13.2 Incorporate climate change measures into national policies, strategies, and plans.

Governance

8.1 Maintain economic growth in line with national conditions, particularly in the least developed countries, with annual GDP growth rates of at least 7%.

17.14 Enhance policy coherence to achieve sustainable development.

16.5 Significantly reduce all forms of corruption and bribery.

16.6 Develop effective, accountable, and transparent institutions at all levels.

16.10 Ensure public access to information and protect fundamental freedoms based on national legislation and international agreements.

Social

11.1 By 2030, eradicate extreme poverty in all its forms everywhere, currently defined as living on less than $1.25 a day.

3.3 By 2030, eliminate AIDS, tuberculosis, malaria, and neglected tropical diseases, combat hepatitis, waterborne diseases, and other communicable diseases.

4.4 By 2030, increase the number of young people and adults with relevant skills for employment, decent jobs, and entrepreneurship, including technical and vocational skills.

1.2 By 2030, based on national demographic statistics, halve the number of men, women, and children living in poverty across all age groups.

5.1 Eliminate all forms of discrimination against women everywhere.

8.5 By 2030, achieve full and productive employment for all women and men, including young people and persons with disabilities, and ensure equal pay for work of equal value.

8.8 Protect labor rights, promote workplace safety, including migrant workers, especially women, and those engaged in hazardous occupations.

13.3 Improve education, raise awareness, and enhance the capacity of individuals and institutions to reduce risks, adapt to impacts, and cope with the consequences of climate change.

16.b Promote and implement nondiscriminatory laws and policies to achieve sustainable development.

1 Corporate Sustainability

1.1 About STARLUX Airlines

1.2 ESG Governance Structure

1.3 Stakeholder Engagement and Communication

1.4 Materiality Assessment

1.1 About STARLUX Airlines

1.1.1 Company Profile

Founded in May 2018, STARLUX Airlines operates under the vision "From Asia, we radiate throughout the Global." The company positions itself as a team of professionals committed to excellence in every aspect of its operations. STARLUX's core strategy focuses on continuous improvement, aiming to deliver superior value to both employees and customers. This approach is designed to differentiate STARLUX in the competitive airline industry and drive sustainable growth. The company's brand value and innovative services, key drivers of its business model, are detailed in Chapter 3 of this report.

Routes Map
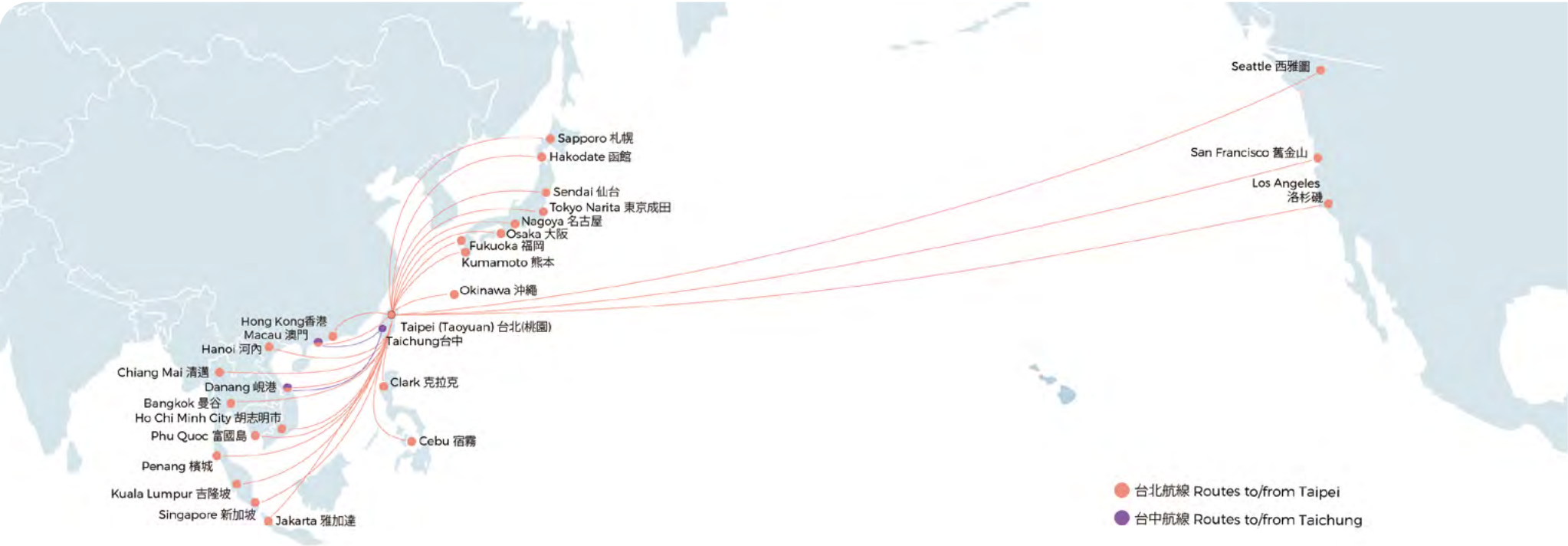
Service Locations

Country	Locations
Taiwan	Taipei Headquarters, STARLUX Flagship Store, Taichung Office, Taoyuan Flight Operations Center, Terminal 1 Office, Terminal 2 Office, Taoyuan International Airport, Bonded Building, Maintenance Hangar, FTZ Cargo Terminal.

Note: Service locations as of May 2024.

Company Information	
Full Company Name	STARLUX Airlines Co., Ltd.
Company Abbreviation	STARLUX Airlines
Establishment Date	May 2, 2018.
Headquarters	15F, No. 382, Sec.6, Nanjing E. Rd., Neihu Dist., Taipei City, Taiwan.
Chairman	Chang, Kuo-Wei
CEO (General Manager)	Chai, Chien-Hua
Main Industry	Civil air transportation service
Stock Code	2646
OTC Listing Date	September 30, 2022.
Paid-in Capital	Approximately TWD25,387million
Main Products	Passenger transport, freight, and others (duty-free in-flight sales, online and physical store sales)
Main Operational Locations	Taiwan, Hong Kong, Macau, Malaysia, Vietnam, Thailand, Japan, Philippines, Singapore, Indonesia, United States (USA)

Aircraft Model in Service

A321neo

A330neo

A350-900
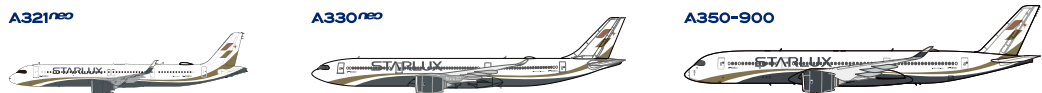
Important Awards and Milestones

2018 APR
- April 2018: Obtained Civil Aviation Administration permit; submitted company establishment application to Ministry of Economic Affairs.

2018 MAY
- May 2018: "STARLUX Airlines Co., Ltd." formally established after receiving company registration approval.

2019 APR
- April 2019: STARLUX Shop officially begins operations

2019 DEC
- December 2019: Received Air Operator Certificate (AOC) from Civil Aviation Administration.

- December 2019: STARLUX Airlines official website launches.

2020 JAN

◆ January 2020: STARLUX officially launches operations with inaugural flights to Macau, Da Nang, and Penang from Taipei.

2020 MAY

◆ May 2020: In-flight safety video "STARWONDERERS" wins seven Silver Awards at the Telly Awards.

2020 JUL

◆ July 2020: First physical STARLUX Shop opens at Taipei Headquarters Customer Service Center.

2020 OCT

◆ October 2020: STARLUX's in-flight meal menus win 2020 Red Dot Brand and Communication Design Award.

2021 July

◆ July 2021: STARLUX receives ISO27001:2013 and ISO27701:2019 certifications for information security and privacy management.

2021 September

◆ September 2021: STARLUX receives WTTC Safe Travels Stamp, demonstrating commitment to passenger safety.

2021 October

◆ October 2021: STARLUX wins BSI Information Resilience Excellence Award for information security and privacy management efforts.

2022 JAN

◆ January 2022: STARLUX receives Taiwan Intellectual Property 2022 Management System Level A certification.

2022 JUN

◆ June 2022: STARLUX passes ISO9001:2015 verification audit.

2022 JUL

◆ July 2022: STARLUX obtains operating license for Bonded Building.

◆ July 2022: STARLUX goes public, listed with stock code 2646.

2022 JUL

◆ September 2022: STARLUX signs contract at Taoyuan Aviation City Industry Forum and Priority Commercial/Manufacturing Park Contracting Ceremony.

◆ September 2022: STARLUX is listed on the Emerging Stock Board.

2022 OCT

◆ October 2022: STARLUX partners with Tainan City Government Tourism Bureau and National Development Council to launch "Sustainable Tourism Mileage Accumulation Program."

◆ October 2022: STARLUX collaborates with Estée Lauder Group for breast cancer prevention campaign, featuring special aircraft livery.

2022 NOV

◆ November 2022: STARLUX Airlines and bitplay introduce "RegenCargo" eco-friendly tote bag.

◆ November 2022: STARLUX begins offering unique beverages made from local Taiwanese agricultural products in first and business class.

◆ November 2022: STARLUX's Maintenance Hangar officially inaugurated.

◆ November 2022: STARLUX obtains bond license for Bonded Building.

2022 DEC

◆ December 2022: STARLUX wins four major awards from TheDesignAir:
"Design Airlines of the Year "
"Design Airlines of the Year, Asia "
"Best New First Class "
"Best New Premium Economy"

2023 MAR

◆ March 2023: STARLUX Airlines and E.Sun Bank launch co-branded credit card.

◆ April 26, 2023: STARLUX commences operations on Taipei-Los Angeles route.

2023 APR

◆ April 2023: STARLUX forms partnership with Alaska Airlines.

2023 OCT

◆ October 2023: STARLUX collaborates with Estée Lauder Group for 2023 Breast Cancer Awareness campaign, featuring pink ribbon livery on an A330neo aircraft.

2023 NOV

◆ November 2023: STARLUX receives IATA Operational Safety Audit (IOSA) accreditation.

2023 DEC

◆ December 2023: STARLUX Airlines becomes a member of the International Air Transport Association (IATA).

◆ December 16, 2023: STARLUX commences operations on Taipei-San Francisco route.

◆ December 2023: STARLUX begins ticket sales for its first Taichung route.

2024 JAN

◆ STARLUX's 2024 route expansion plan includes: Taipei to Chiang Mai (January), Hakodate (February), and later in the year, new routes to Hong Kong, Phu Quoc, Jakarta, and Seattle, broadening its international network.

2024 FEB

◆ February 2024: STARLUX opens self-operated VIP lounge at Terminal 2 of Taoyuan International Airport.
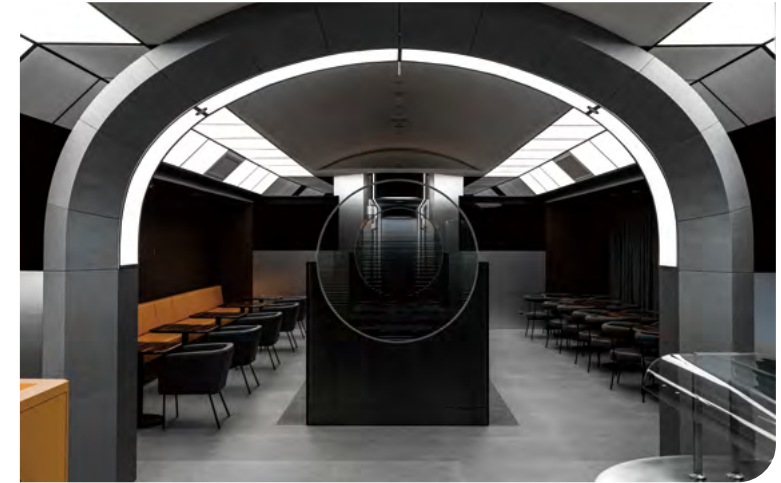
2024 APR

◆ April 2024: STARLUX obtains ISO 45001:2018 and CNS 45001:2018 & TOSHMS certifications for occupational safety and health management.

2024 MAY

◆ May 2024: STARLUX receives ISO27001:2022 certification and maintains ISO27701:2019 certification for information security and privacy management.

◆ May 2024: STARLUX achieves ISO14064-1:2018 and AA1000AS v3 certifications.

◆ 2024 Fleet Plan: Lease three A330neos, with one additional delivery. Aim for 50+ aircraft mid-term.

◆ 2024 Capital Plan: Issue new shares for cash capital increase.

Operational Strategy Planning

Core Strategy	Implementation of Strategies in 2023	Future Annual Planning Layout	Connection with Sustainable Development
Fleet Planning (Note)	• Fleet expansion in 2023: Added 3 A350-900, bringing total fleet to 21 aircraft • Fleet composition: 13 A321neo, 4 A330neo, 4 A350-900 • First A350-900 initially served Asian routes, then launched Taipei-Los Angeles route on April 26, 2023	• Based on market demands, the fleet size is expected to reach 39 aircrafts before 2027, comprising 13 A321neo, 8 A330neo and 18 A350-900/1000 aircrafts. • Future fleet size is expected to reach over 50 aircrafts, to be in line with market demands, and to enhance capacity supplied and deployment flexibility.	1. Cost Saving Measures: 　Fuel: Achieve 20% to 25% reduction in fuel consumption in compared to previous generation aircraft. 　Maintenance: Utilize advanced materials and designs, significantly reduce maintenance costs. 　Airbus fleet commonality benefits: Flight crew training shortened to less than two weeks, effectively reducing training time and management costs. 2. Carbon Emission Reduction: 　In compared to previous generation aircraft, around 20% to 25% carbon emission is reduced. 3. Passenger Comfort Enhancement: 　STARLUX implemented AirSpace technology in A350-900 aircraft, enhancing seating, lighting, and air quality to support its premium positioning, boost customer satisfaction, and gain competitive advantage.
Route Network Planning	• Focus on expanding new routes from 2022 to 2024: • In 2022, new regional routes Taipei-Fukuoka, Taipei-Sapporo and Taipei-Okinawa are commenced to operate. • In 2023, increase frequencies on existing regional routes Taipei-Macau, Taipei-Bangkok, Taipei-Tokyo and Taipei-Osaka. • And in the first half of 2023, new regional routes Taipei-Hanoi, Taipei-Cebu and Taipei-Sendai are commenced to operate, additionally, long-haul route Taipei-Los Angeles is commenced to operate on April 26, 2026, to mark STARLUX's entrance of transpacific service.	• In H2 2023, STARLUX launches new regional routes: Taipei-Clark, Taipei-Kumamoto, and Taipei-Nagoya. This strategic expansion aims to capture intercontinental transit passengers and high-yield business markets. These routes also lay groundwork for a second transpacific route, enhancing STARLUX's network connectivity and travel options. • STARLUX has successfully captured nearly 50% of transpacific passenger transfers to/from Southeast Asia, demonstrating effective market differentiation. STARLUX plans strategic expansion with new routes targeting Northeast Asia, Mainland China, Hong Kong, Southeast Asia, Europe, North America, and Australia, aiming to strengthen its global network and market position.	1. Varied Passenger Service: 　Diverse flight options and premium services for all route lengths, ensuring convenience and satisfaction. 2. Green Transport: 　Optimize routes and operations to minimize fuel use, reduce costs, and enhance efficiency across all flights.

Core Strategy	Implementation of Strategies in 2023	Future Annual Planning Layout	Connection with Sustainable Development
Research and Development (R&D) and Operational Development — Enhance Customer Service	1. Co-branded Credit Card: Launched in Q1 2023 to enhance COSMILE loyalty program. Features accelerated mileage accrual, discounts, and shopping benefits. Strategy includes expanding partner network to diversify mileage opportunities and boost customer retention. 2. STARLUX Airlines Vacation Package: Strategic collaboration with travel agencies to develop integrated hotel and flight packages, targeting diverse customer travel preferences and needs. 3. Terminal 2 Operations at Taoyuan International Airport: Expanded to Terminal 2 to support long-haul transpacific routes. Relocated select routes (e.g., Taipei-Singapore, Taipei-Bangkok, Taipei-Chiang Mai). Inaugurated self-operated VIP lounge in February 2024. 4. Off-Airport Check-in Services: Implemented self-service pre-boarding and luggage check-in at Taipei Main Station (A1) of METRO Taoyuan, enhancing convenience for US route passengers. 5. Redesigned Duty-Free Pre-order Website: Revamped béshopping pre-order website with user-centric design to improve online shopping experience and customer satisfaction. 6. Enhanced Official Website and Mobile App: Launched new platforms with advanced features including individual/group ticketing, flexible COSMILE miles usage, and co-branded credit card integration to meet post-pandemic travel demands.		
Airline Digital Operations	1. E-AirWay Bill (e-AWB) Promotion for Cargo Operations: Implementing e-AWB strategies to enhance operational efficiency and environmental sustainability. Collaborating with contractors to integrate systems, promoting a greener logistics approach. 2. Cargo Website Enhancement: Developing a comprehensive cargo management platform offering real-time shipment tracking, account management, documentation services, and customer support to improve user experience and operational transparency. 3. Aircraft Fuel Management System Upgrade: Enhancing digital fuel management capabilities in response to volatile fuel prices. Implementing advanced procurement management features for accurate monitoring of price fluctuations and contract management. 4. Automated Bonded Goods Warehouse Management: Deploying an automated warehouse system with barcode scanning and handling equipment to improve efficiency. Integrating real-time tracking of bonded goods with financial systems for streamlined business processes. 5. Interline Business Data Integration: Developing systems to facilitate complex interline cooperation with other airlines. Focusing on seamless data integration to enhance operational efficiency and expand service offerings through airline partnerships.		
Promote Flight Safety	1. Transportation Security Administration PreCheck Program (TSA PreCheck) Participation: Initiating participation in the US expedited security screening program to enhance passenger experience on US routes. This strategic move will allow eligible STARLUX passengers to benefit from streamlined security processes at US airports through pre-screening and risk assessment protocols. 2. Flight Plan Payload Forecasting System Development: Implementing an advanced payload forecasting system to optimize flight operations. This feature will enable precise planning of aircraft load, encompassing passengers, luggage, and cargo. By integrating comprehensive payload information, the system will ensure optimal balance and safety during flights, enhancing operational efficiency and safety standards.		

Note: For fleet planning details, please refer to the STARLUX Airlines official website.

1.1.2 Business Operations and Financial Initiatives

STARLUX reported robust financial performance in 2023, with revenue soaring to TWD22.47 billion, marking a substantial 568% year-over-year increase. This impressive growth was primarily fueled by the airline's strategic initiatives in fleet expansion and the successful launch of new routes, positioning the company for continued market expansion and operational success.

Financial Performance in Past Two Years

Unit: TWD Thousand

Item	2022	2023
Direct Economic Value Generated	$3,427,433	$22,583,206
Passenger Revenue	2,277,887	19,747,159
Cargo Revenue	918,070	1,594,597
Other Operating Revenue	166,178	1,130,372
Non-operating Revenue	65,298	111,078
Direct Economic Value Distributed	$(10,018,362)	$(22,698,421)
Operating Costs	(6,576,242)	(18,550,979)
Operating Expenses	(1,889,905)	(3,441,651)
Financial Costs	(419,580)	(801,792)
Other Income and Losses	(1,132,635)	96,001
Profit Before Tax	$(6,590,929)	$(115,215)
Supplementary Disclosure Information		
Operating Costs: Employee Salaries and Benefits	$1,160,455	$2,563,540
Operating Expenses: Employee Salaries and Benefits	983,430	1,944,966
Subtotal: Employee Salaries and Benefits	$2,143,885	$4,508,506
Financial Costs: Interest Expenses	$105,987	$256,536

Note: The financial data presented is based on audited financial statements for fiscal years 2022 and 2023, as verified by certified public accountants.

Subsidies Received

Unit: TWD Thousand

Item	Government Subsidy Item	2022	2023
Government Subsidies			
Taiwan	Government Subsidy	85,988	-
	Government Loan Interest Subsidy	36,264	4,224
Japan	Government Subsidy	58	-
Thailand	Government Subsidy	150	-
Malaysia	Government Subsidy	90	-
Singapore	Government Subsidy	520	-
Vietnam	Government Subsidy	1,169	-
Macau	Government Subsidy	1,376	-
	Government Loan Interest Subsidy	1,849	-
Non-Government Subsidies			
Other	Government Subsidy	43,017	-
Total	Government Subsidy	132,278	-
	Government Loan Interest Subsidy	38,113	4,224

Note: Government subsidies primarily stem from Taiwan's aviation relief program during the pandemic. For details, visit: https://www.caa.gov.tw/Article.aspx?a=3083&lang=1

1.1.3 Industry Affiliations and Collaborations

In 2023, STARLUX maintained active engagement with key domestic and international industry associations. This strategic involvement facilitated crucial information exchange, kept the airline informed of latest industry developments, and enabled effective trend monitoring. Key affiliations included:

Item	Name of the Association	Objective or Goal of the Affiliations	Identity	Participation Benefits or Company Contributions
1	International Air Transport Association (IATA)	International non-profit organization coordinating aviation industry initiatives for economic growth, safety, customer service, and sustainability.	Membership	Membership provides access to latest aviation industry insights and regulations, covering sustainable fuels, competition law, economic analysis, modern retailing, cargo systems, and innovative payment solutions.
2	Flight Safety Foundation (FSF)	International non-profit organization hosting seminars and forums to guide and support global aviation safety initiatives and risk management.	Membership	Participation in conferences, forums, and training facilitates idea exchange with experts, aligning member with global aviation safety trends and standards.
3	Flight Safety Foundation-Taiwan (FSF Taiwan)	Non-profit foundation promoting civil aviation safety in Taiwan through training, seminars, and publications.	Membership	Enhance professional knowledge through foundation-organized safety courses and publications, receiving improvement suggestions.
4	Taipei Airlines Association (TAA)	Non-profit association promoting aviation industry interests, coordinating relationships, and supporting regulation implementation. Acts as liaison between government, industry, and stakeholders, providing commissioned services.	Membership	Participate in industry meetings to align with government policies, including sustainable development roadmaps, greenhouse gas management, and sustainable aviation fuel planning for domestic and international routes.
5	Chinese Aeronautical Meteorological Association (CAMA)	Non-profit social organization is dedicated to promoting the research, development, and exchange of aviation meteorology to enhance aviation safety.	Membership	Participate in annual meetings and keynote speeches, such as lecture of "Current Status of Climate Change: When the Ocean Gets Warm" (November 2023), which facilitate knowledge sharing and exchange on aviation meteorology, to contribute to operational optimization and promote flight safety.

1.2 ESG Governance Structure

In May 2023, STARLUX solidified its commitment to sustainability by establishing a comprehensive Corporate Sustainability Committee (CSC). This strategic initiative is spearheaded by CEO Mr. CHAI, who serves as the committee chair, ensuring top-level engagement in sustainability efforts. The CSC's membership includes executive leaders from critical departments, bringing diverse expertise to the table. Structurally, the CSC oversees three specialized sub-committees focusing on Environmental, Social, and Governance aspects, allowing for targeted attention to each ESG pillar. To maintain accountability and strategic alignment, the CSC reports to the Board of Directors biannually, presenting updates on sustainability strategies and project execution. This robust framework ensures that sustainability principles are integrated across all organizational levels, driving STARLUX's long-term commitment to responsible business practices.

ESG Implementation Team

```
                        Board of Directors
                               |
              Corporate Sustainability Committee
                        Chairman: CEO
                               |
              Sustainable Development Task Force
              Contact Person: Executive Secretary
                               |
    Executive Secretary
    (Procurement Department Carbon Offsetting Team)
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Environmental Task Force	Society Task Force	Governance Task Force
Energy and Greenhouse Gas Management	Brand Strategy and Development	Business Ethics and Integrity
Environmental Conservation and Sustainable Resource Cycling	Customer Satisfaction and Innovative Services	Risk management
Climate Change Mitigation and Adaptation	Public Responsibility and Social Engagement	Procurement Strategy and Supply Chain Management
	Employee Diversity and Equal Opportunity	Flight Safety and Security
	Talent Development and Retention	Information Security and Customer Privacy
	Occupational Safety and Health	

1.3 Stakeholder Engagement and Communication

STARLUX employs the AA1000 Stakeholder Engagement Standard to identify eight key stakeholder groups: investors, employees, customers, suppliers and contractors, government, media, industry associations, and nongovernmental organizations (NGOs). The company maintains transparent communication channels to understand and address stakeholder concerns, continuously improving to meet their expectations and needs.

Category	Concerns	Communication Methods and Frequencies	Annual Achievements
Investors	Integrity in Business Operations, Risk Management, Operational Performance and Strategy	• Market Observation Post System by TWSE: Monthly • Financial reports: Quarterly • Board of Directors/Functional Committees/Annual Meeting of Shareholders/STARLUX Airlines Sustainability Reports: Annually • Public Announcements/Press Releases/Corporate Briefings/Official Website: Timely	• Total 37 public statements issued in 2023, addressing financial results, board decisions, policy changes, and media inquiries, both proactively and reactively.
Employees	Workforce Diversity and Equal Opportunities, Talent Development and Retention, Occupational Safety and Health, Information Security and Personal Data Protection	• Employee Welfare Committee/Labor-Management Meetings: Quarterly • Employee Feedback Box/Employee Surveys: Timely • Employee Education and Training Sessions: Regular/Timely	• Encourage employee feedback via diverse channels: training, meetings, and company communications on human rights, workplace safety, and information security. • In 2023, union membership reached 36.31%; 4 labor-management meetings addressed 31 issues, fostering collaborative workplace relations. • 4,073 employees completed training in 2023, averaging 123.52 hours per person, demonstrating commitment to workforce development.
Customers	Customer Satisfaction and Innovative Services, Information Security and Customer Privacy	• Hotline Service/Chatbots/Customer Feedback Box/Official LINE/Official Facebook Page: Immediate • Personal Visits/Telephone Calls/Emails/Customer Satisfaction Surveys: Timely	• Swiftly address customer concerns via communication channels; regularly analyze feedback to develop and implement targeted improvement strategies. • In December 2023, STARLUX provided real-time customer support through Facebook Messenger for mobile app inquiries, enhancing user experience. • STARLUX launched its inaugural customer satisfaction survey in 2023, gathering feedback on travel experiences and evaluating current service effectiveness.

Category	Concerns	Communication Methods and Frequencies	Annual Achievements
Suppliers and Contractors	Integrity in Business Operations, Risk Management, Operational Performance and Strategy, Information Security and Personal Data Protection	• Personal Visits/Telephone Calls/Emails/Supplier Meetings: Timely	• In 2023, STARLUX enhanced supplier engagement through regular communications and ESG-focused initiatives. A key example was the January supplier conference, which addressed procurement policies, employee meal ingredients, green procurement, and carbon credits. This approach strengthens supply chain relationships while advancing sustainability goals.
Government	Integrity in Business Operations, Risk Management, Aviation Safety, Information Security and Personal Data Protection	• Government Evaluations: Annually • Regulatory Inspections/Policy Seminars/Discussion Forums/Public Hearings/Documents/Telephone Calls/Emails/Public Information: Timely	• In 2023, STARLUX successfully complied Civil Aviation Administration's CORSIA mechanism audit, demonstrating ongoing compliance with this annual environmental requirement. • STARLUX actively participates in meetings with the Bureau of Standards, Metrology & Inspection, Civil Aviation Administration, and aircraft manufacturers to stay informed on sustainable aviation fuel (SAF) regulations and technological advancements.
Media	Integrity in Business Operations, Risk Management, Aviation Safety	• Telephone Calls/Email: Immediate • Press Conferences/Media Interviews/Press Releases: Timely	• In 2023, STARLUX issued 37 major announcements, covering financial reports, board and shareholder meeting resolutions, significant policy implementations, and media report clarifications. These announcements, addressing both positive and negative news, are available on the TWSE's Market Observation Post System.
Industry associations	Integrity in Business Operations, Risk Management, Aviation Safety, Operational Performance and Strategy	• Telephone Calls/Emails/Press Releases/Seminars/Roundtable Discussions/Events: Timely	• STARLUX participated in 13 industry events in 2023, covering topics like sustainable fuel, climate change, aviation safety, and carbon verification. This engagement demonstrates the airline's commitment to professional development and industry best practices in sustainable aviation.
Non-governmental organizations (NGOs)	Public Responsibility and Social Engagement, Aviation Safety, Occupational Safety and Health, Energy and Greenhouse Gas Management	• Social Media Platforms/Telephone Calls/Email/Press Releases/Forums/Social Welfare and Environmental Protection Activities: Timely	• In 2023, STARLUX invested TWD4,404,680 in industry-academic partnerships, demonstrating its commitment to innovation and education in aviation. • In 2023, STARLUX invested TWD1,330,000 in community welfare projects, promoting social harmony and inclusion, demonstrating its commitment to corporate social responsibility.

Note: For stakeholder communication channels and contact details, please visit the Stakeholder Dialogue Section on STARLUX official website.

1.4 Materiality Assessment

STARLUX adheres to the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEx) guidelines for sustainability reporting, demonstrating compliance with local regulatory requirements. The airline employs the Global Reporting Initiative (GRI) Standards 2021, a widely recognized framework for sustainability reporting, to conduct its materiality assessment. This assessment focuses on eight key areas, encompassing a comprehensive range of sustainability issues relevant to the aviation industry.

Procedure for Identifying Materiality

Phase	Topic	Description
Phase 1 Industry and Organization	15 Topics in Three Aspects (ESG)	STARLUX conducted a materiality assessment, identifying 15 key ESG topics. This process considered aviation industry characteristics, internal priorities, GRI guidelines, global trends, and peer benchmarking. By integrating these factors, STARLUX developed a comprehensive sustainability strategy addressing relevant issues for the company and stakeholders. This approach positions the airline to manage risks, seize opportunities, and contribute to sustainable development in aviation.
Phase 2 Assessing Actual/	38 Internal Survey for Impact Assessment	STARLUX conducted a materiality assessment to prioritize sustainability efforts, involving 38 surveys (17 from senior management, 21 from other stakeholders). The surveys evaluated 15 pre-identified ESG topics, focusing on their economic, environmental, and social impacts, considering severity and likelihood. The assessment identified five key topics as most material for STARLUX's sustainability strategy: one Environmental, two Social, and two Governance. This balanced distribution reflects a holistic approach to sustainability across major areas of corporate responsibility. By focusing on these key topics, STARLUX can efficiently allocate resources to the most impactful and relevant areas for both the company and its stakeholders, ensuring an effective sustainability strategy.
	326 External Survey for Stakeholders' Concernments	STARLUX conducted 326 valid online surveys to assess stakeholder views on 15 identified sustainability topics. This approach involved diverse stakeholders and enabled efficient data collection and analysis. The process demonstrates STARLUX's commitment to aligning its sustainability strategy with stakeholder expectations, guiding future decision-making and reporting efforts.
Phase 3 Rank Priority of Key Topics	7 Key Topics	In 2023, STARLUX Board approved seven key sustainability topics, combining internal survey results with external inputs. These topics cover energy and emissions management, customer satisfaction, brand development, flight safety, information security, business integrity, and occupational safety. STARLUX commits to publicly reporting progress on these areas, demonstrating transparency and commitment to sustainable practices.
Phase 4 Information Disclosure	Reporting and Disclosure	The Board mandates an annual Sustainability Report due by August 31st, compiled by relevant divisions and the ESG Task Force, reviewed by the Corporate Sustainability Committee, and approved by the Chairman. This process ensures timely and authoritative disclosure of STARLUX's sustainability efforts, demonstrating commitment to transparency and accountability.

Sustainability Priority Matrix

Impacts from Internal Survey (Environmental - E)

- Energy and Greenhouse Gas Management
- Climate Change Mitigation and Adaptation
- Environmental Conservation and Sustainable Resource Cycling

(scale 0, 5, 10, 15, 20, 25)

Impacts from Internal Survey (Social - S)

- Customer Satisfaction and Innovative Services
- Brand Strategy and Development
- Talent Development and Retention
- Occupational Safety and Health
- Employee Diversity and Equal Opportunity
- Public Responsibility and Social Engagement

(scale 0, 5, 10, 15, 20, 25, 30)

Results of Significant Internal Impact Assessment (Governance Aspect - G)

- Flight Safety and Security
- Information Security and Customer Privacy
- Economic Performance and Strategy
- Risk Management
- Procurement Strategy and Supply Chain
- Business Ethics and Integrity

(scale 0, 5, 10, 15, 20, 25)

Topics	Internal Impact Assessment — Internal	External Stakeholder Insights — External Industry Trend	Key Topics Identified — Assessment Results
Climate Change Mitigation and Adaptation		✓	
Energy and Greenhouse Gas Management	✓		✓ Energy and Greenhouse Gas Management
Environmental Conservation and Sustainable Resource Cycling		✓	
Brand Strategy and Development	✓		✓ Brand Strategy and Development
Customer Satisfaction and Innovative Services	✓	✓ ✓	✓ Customer Satisfaction and Innovative Services
Public Responsibility and Social Engagement			
Employee Diversity and Equal Opportunity	5 Topics Adopted	2 Topics Adopted	
Talent Development and Retention			
Occupational Safety and Health		✓ ✓	✓ Occupational Safety and Health
Business Ethics and Integrity		✓ ✓	✓ Business Ethics and Integrity
Risk Management			
Economic Performance and Strategy			
Information Security and Customer Privacy	✓		✓ Information Security and Customer Privacy
Procurement Strategy and Supply Chain			
Flight Safety and Security	✓	✓ ✓	✓ Flight Safety and Security

STARLUX Airlines Key Topics List

Aspects	2023 Key Topics	STARLUX Perspective	Impact of Value Chain				Index	GRI and SASB
			Internally	Externally				
			STARLUX Airlines	Upstream (Suppliers)	Midstream (Industries)	Downstream (Customers)		
Environment	Energy and Greenhouse Gas Management	Implementing energy efficiency, carbon reduction, and renewable energy initiatives helps minimize our environmental impact and supports compliance with net-zero emissions policies and regulations.	V	V	V	V	5.1 Energy and Greenhouse Gas	GRI 302: Energy GRI 305: Emissions TR AL 110a: Greenhouse Gas Emissions
Social	Brand Strategy and Development	Expanding sales and service networks while executing targeted brand marketing strategies enhances customer awareness of STARLUX's values and goals, boosting brand recognition and loyalty.	V		V	V	3.1 Brand Strategy and Development	NA
Social	Customer Satisfaction and Innovative Services	Efficient communication and understanding of customer needs enables STARLUX to deliver products and services that meet expectations, maintaining our brand image and reputation.	V		V	V	3.2 Customer Satisfaction and Innovative Services	GRI 417: Marketing and Labeling
Social	Occupational Safety and Health	By implementing proactive occupational health and safety management, we can reduce the occurrence of workplace accidents, and to enhance employee morale and STARLUX reputation.	V				6.3 Occupational Safety and Healt	GRI 403: Occupational Health and Safety
Governance	Integrity in Business Operations	By upholding integrity and ethics in operations, we can ensure that STARLUX employees adhere to business ethics and societal expectations, also to stabilize market order and safeguard the interests of stakeholders.	V	V	V	V	2.2 Ethical Integrity	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior TR AL 520a: Competitive Behavior
Governance	Information Security and Personal Data Protection	By effectively managing important data and customer privacy, we can prevent operational risks associated with information leaks.	V	V	V	V	2.4 Information Security and Customer Privacy	GRI 418: Customer Privacy
Governance	Flight Safety and Security	By actively maintaining the safety of crew members, cargo, and ground personnel, we can prevent any potential aviation accidents, and to make safety as STARLUX top priority.	V	V	V	V	CH4 Flight Safety and Security	TR AL 540a: Incident and Safety Management

2 Sound Corporate Management

2.1 Corporate Governance

2.2 Ethical Integrity

2.3 Risk management

2.4 Information Security and Customer Privacy
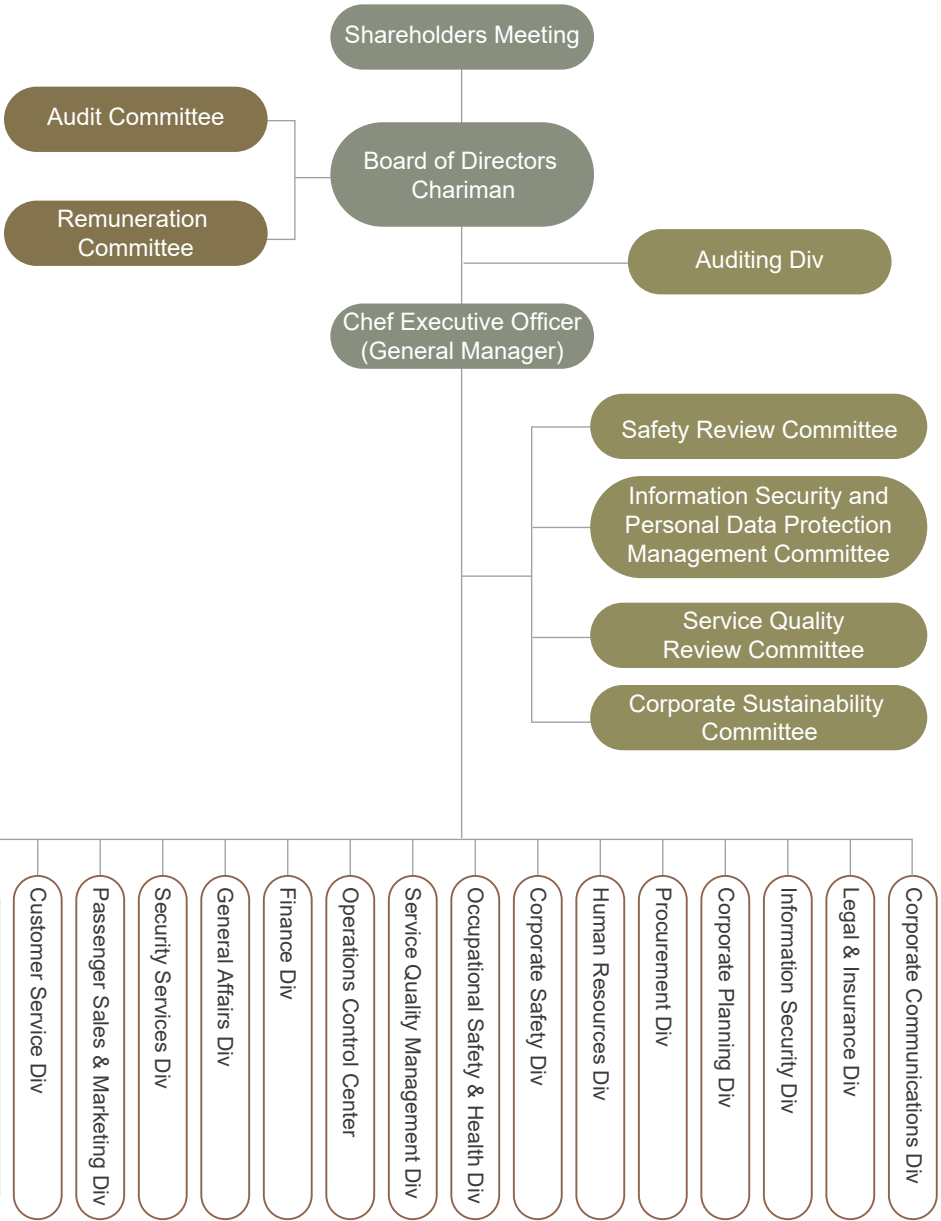
2.5 Regulatory Compliance

STARLUX

2.1 Corporate Governance

2.1.1 Corporate Structure and Governance Leadership

STARLUX demonstrates robust corporate governance by adhering to Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." The company prioritizes diversity in professional backgrounds, skills, and industry experience among its directors. This multifaceted approach enhances the corporate governance framework and operational efficiency, ensuring a wide range of perspectives in decision-making processes and contributing to informed corporate strategies.

STARLUX board comprises seven members: four general directors and three independent directors, aged 41 to 80. This structure balances insider knowledge with external objectivity. The board's expertise spans business management, aviation transportation, government affairs, finance, accounting, and communication. This diverse skill set enables comprehensive analysis of strategic aspects when determining the company's direction, ensuring decisions reflect a holistic understanding of the complex aviation industry landscape.

STARLUX emphasizes continuous learning for its board members, recognizing the evolving nature of the aviation industry and global business environment. The company provides ongoing training programs on industry trends, regulatory compliance, information security, and sustainability. By investing in leadership education, STARLUX aims to strengthen its corporate governance and enhance market awareness. The company is committed to maintaining and expanding these educational offerings to keep its leadership at the forefront of industry knowledge and governance best practices.

Shareholders Meeting

Audit Committee

Remuneration Committee

Board of Directors Chariman

Auditing Div

Chef Executive Officer (General Manager)

Safety Review Committee

Information Security and Personal Data Protection Management Committee

Service Quality Review Committee

Corporate Sustainability Committee

Overseas | Taichung Office | Information Technology Div | Training Equipment Dept | Engineering & Maintenance Div | Ground Handling Div | Airport Operations Div | Cabin Services Div | Cabin Crew Div | Flight Operations Div | Cargo Div | Customer Service Div | Passenger Sales & Marketing Div | Security Services Div | General Affairs Div | Finance Div | Operations Control Center | Service Quality Management Div | Occupational Safety & Health Div | Corporate Safety Div | Human Resources Div | Procurement Div | Corporate Planning Div | Information Security Div | Legal & Insurance Div | Corporate Communications Div

Board Member Continuous Improvement: Two-Year Educational Snapshot

Host	Year	Course	Attendances	Hours
Securities and Futures Institute, SFI	2022	1. Corporate Governance and Securities Regulations	7	3
		2. External Innovation and Sustainable Operations	1	3
		3. Legality of Information Security Management under Ransomware Threats	1	3
		4. International Trends in Net-Zero Carbon Emissions and Taiwan's Efforts in Carbon Neutrality	1	3
		5. Insider Trading Prevention Advocacy Seminar for the Year 2022	1	3
	2023	6. Global Future Risks and Sustainability Transformation Opportunities	7	3
		7. Latest Practical Analysis on Trade Secrets and Operational Risks for Directors and Supervisors	4	3
		8. Participation and implementation of public welfare of goodness, truth and beauty is advantageous to business. (ESG/SROI)	1	3
Financial Supervisory Commission	2022	9. Release of Reference Guidelines for Independent Directors and Audit Committee Functions of Listed Companies in 2022 and Director-Supervisor Advocacy Seminar	1	3
Taiwan Corporate Governance Association	2022	10. The 18th (2022) Corporate Governance Summit - Enhancing Director Competence | Implementing Corporate Sustainability Governance	1	3
		11. Inheritance Mechanisms and Tax Issues Essential for Family Business and Wealth Sustainability	1	3
		12. Discussion on Corporate Operations and Related Taxation and Introduction to Latest Tax Laws and Practices for Major Shareholders	1	3
	2023	13. Trends and Risk Management of Digital Technology and Artificial Intelligence	1	3
		14. 2023 Low-Carbon Economy and Corporate Low-Carbon Innovative Global Trend and Business Opportunity	1	3
		15. Necessary Knowledge on Affairs for Legal Affairs for Board of Directors Supervising Enterprises : Be Aware of the Red Line for Concerted Action	1	3
		16. Macroscopic View of Global Corporate Sustainable Development: From Vision 2050 to Action 2021	1	3
Taiwan Investor Relations Institute	2023	17. How Enterprises Shall Respond to ESG Challenges and to Create Transformation Opportunities	1	3
		18. How to Utilize Intellectual Property Management Systems to Improve Corporate Governance	1	3
Taiwan Institute of Directors	2023	19. 2023 KPMG Leadership Institute Forum Business Opportunities and Challenges under the Net Zero trend	1	3

Title	Name	Gender	Age	Date elected (assumed position)	Term	Main experience (educational background)	Current adjunct positions at the Company and other companies
Chairman	STARLUX Investments Limited	Corporate Director					
	Representative: Chang, Kuo-Wei	Male	51-60	2022.08.29	3 years	Master of Economics, California State University, United States. Vice President of Evergreen Group Chairman of EVA Airways Corp. Chairman of UNI Airways Corp. Director of Evergreen Aviation Technologies Corp. and Kaohsiung Airport Catering Services Ltd.	Director: STARLUX Investments Limited and STARWAY Developing Investments Limited
Director (Note 1)	STARLUX Investments Limited	Corporate Director					
	Representative: Chai, Chien-Hua	Male	51-60	2022.08.29	3 years	Department of International Business, Chung Yuan Christian University Deputy Senior Vice President, Project Div., EVA Airways Corp. Director of Evergreen Aviation Technologies Corp.	CEO (General Manager) of the Company
Director (Note 2)	STARWAY Developing Investments Limited	Corporate Director					
	Representative: Yeh, Shu-Wen	Female	41-50	2022.08.29	3 years	National Taipei University of Business Flight Attendant of EVA Airways Corp. Flight Attendant of UNI Airways Corp. Financial Staff of Evergreen Marine Corp.	-
	Representative: Nieh, Kuo-Wei	Male	71-80	2022008.29	3 years	Master's degree in College of Journalism and Communications, Shih Hsin University Chief Communications Officer, Evergreen Group	Chief Communications Officer (Executive Vice President) of the Company
Director (Note 3)	ABICO AVY Co., Ltd.						
	Representative: Tong, Chun-Yi	Male	51-60	202306.30	2.2 years	LSI Master of Engineering Department, Waseda University Bachelor of Arts, University of Southern California Chairman of Ability Venture Management Co., Ltd.	ABICO AVY Co., Ltd. Vice Chairman Chairman: Ability I Venture Capital Corporation, Excelsior Capital Management Co.,Ltd., Abico International Co., Ltd., Abico Capital Co., Ltd., Dongguan Chengguang Metal Products Co., Ltd., Dongguan Chengguang Trading Co., Ltd. Director: 1 Production Film Co., Honlynn Co.,Ltd., IKKA Holdings (Cayman) Limited, Yichan Investment Co., Ltd, HIRAISEIMITSU(Thailand) Co.,Ltd. Independent Director of Sirtec International Co., Ltd.
Non-profit Independent Director	Tsai, Duei	Male	71-80	2022.08.29	3 years	PhD. of Electrical Engineering, National Taiwan University Adjunct Professor of Department of Electronics, National Taiwan University of Science and Technology Vice President of Public Construction Commission, Executive Yuan Political Deputy Minister of Ministry of Transportation And Communications (MOTC) Administrative Deputy Minister of MOTC Technical Superintendent of MOTC Director General of Civil Aviation Administration (CAA) Deputy Director of Directorate General of Telecommunications, MOTC Minister of MOTC	Director of Da Ai Satellite Television Co.,Ltd. Independent Director: Compal Electronics, Inc., Taiwan High Speed Rail Corporation,TTY Biopharm Company Limited
Independent Director	Wang, Te-Ho	Male	71-80	2022.08.29	3 years	Master of Business Administration, National Chengchi University Master of Air Transportation Management, Kainan University Chief Secretary of CAA Deputy Director of CAA	-
Independent Director	Huang, Chih-Chen	Male	51-60	2022.08.29	3 years	Department of Accounting, Feng Chia University President of Guang Yun CPAs Limited	President of Guang Yun CPAs Limited Chairman of Baishiyi International Co., Ltd. Director: Jyh Eng Technology Co., Ltd., Auden Education Foundation Independent Director of Auden Techno Corp. Independent Director of Ability Enterprise Co., Ltd.

Note 1: Director CHAI, Chien-Hua concurrently serves as STARLUX Airlines' CEO to improve operational efficiency and decision-making. For details on managing potential conflicts of interest in this dual role, please refer to 2.1.2.

Note 2: Director NIEH, Kuo-Wei (Starway Investment and Development Co., Ltd. representative) resigned as director on May 2, 2023, effective June 29, 2023.

Note 3: On June 30, 2023, shareholders elected Mr. TONG, Chun-Yi (Able Innovations Co., Ltd. representative) as new director.

2.1.2 Board Nomination

STARLUX Board of Directors consists of 5-9 members serving 3-year terms, with at least three independent directors. Shareholders nominate and elect directors using cumulative voting, with a two-term limit for continuous reelection. Independent directors must meet regulatory qualifications, while non-profit independent directors adhere to civil aviation industry regulations. This structure ensures a balance of expertise and independence in corporate governance.

The Board elects a Chairman to represent the company externally, requiring presence of over two-thirds of directors and consent from more than half of those attending. This process ensures broad support for the leadership position. Currently, CHANG, Kuo-Wei serves as Chairman, providing strategic direction, while CHAI, Chien-Hua serves as CEO, managing day-to-day operations.

To maintain ethical management and transparency, directors must disclose any conflicts of interest related to agenda items. Conflicted directors must abstain from discussion and voting on those matters and cannot act as proxies for other directors in exercising voting rights. These measures safeguard the integrity of board decisions and protect shareholder interests, reinforcing STARLUX commitment to corporate responsibility.

2.1.3 Functional Committees

STARLUX has established Audit Committee and Remuneration Committee to strengthen corporate governance. These functional committees enhance board oversight, streamline decision-making, and manage conflicts of interest on critical issues. Each committee has a distinct structure and mandate, ensuring focused expertise in financial oversight and executive compensation matters.

Functional Committee Structure and Responsibilities

Functional Committee	Core Accountabilities and Monitoring Priorities	Composition
Audit Committee	The Audit Committee consists of independent members with specialized backgrounds, aiding board decisions through professional insight and autonomy. Their primary objectives are: • Ensuring fair financial reporting • Overseeing certified public accountant matters • Implementing effective internal controls • Monitoring regulatory compliance • Managing company risks Through professional oversight, the Committee ensures regulatory adherence, safeguards investor interests, and offers valuable financial and management guidance.	Audit Committee: 3+ independent directors, convener, financial expert. Ensures oversight.
Remuneration Committee	To assist the Board in overseeing performance evaluations of directors and management, and to establish overall compensation policies for increased transparency and fairness, the Remuneration Committee will: • Regularly review and propose amendments to the committee charter. • Set and review performance standards, annual and long-term goals for directors and managers, along with compensation policies, systems, and structures. Disclose these in the annual report. • Regularly assess goal achievement, determine individual remuneration based on performance results. Disclose evaluation results and the relation to compensation in the annual report and shareholder meetings. The committee will fulfill these duties with due care to ensure fair and reasonable compensation aligned with performance. Recommendations will be submitted to the Board to promote transparency and fairness in remuneration.	Remuneration Committee: 3+ members, Board-appointed, mostly independent directors.

2.1.4 Performance Assessment

STARLUX conducts annual Board performance assessments following the "Director and Executive Performance Evaluation Regulations." This comprehensive process assesses Board functionality, individual director contributions, and committee effectiveness. Results are compiled and presented to the Board by Q1 end of the following year, enabling timely action on improvement areas.

The assessment uses a multi-faceted approach. The Chairman completes a Board Performance questionnaire, while directors fill out self-assessment and Functional Committee forms. These tools capture detailed information on Board activities and individual contributions. A coordinating unit collates the data, applies scoring criteria, and prepares a comprehensive report for Board review.

Evaluation Outcomes and Improvement: Recent assessments scored above 98 points, indicating excellent performance across governance dimensions. The company uses these results as a foundation for continuous enhancement, not an endpoint. This data-driven approach helps refine Board operations, decision-making, and governance practices, ensuring the company maintains high standards of corporate leadership and adapts to evolving business environments.

Governance Effectiveness Assessment Results

Governance Effectiveness Assessment Results				2022			2023		
Type	Assessment covers the following aspects	Number of questions	Weight (%)	Total score	Self-assessment score	score	Total score	Self-assessment score	score
Internal Assessment	A. Participation in Company Operations	12	20	420	414	19.71	480	468	19.50
	B. Enhancement of Board Decision-Making Quality	12	20	420	418	19.90	480	477	19.88
	C. Board Composition and Structure	7	20	245	245	20.00	280	278	19.86
	D. Appointment and Continuous Education of Directors	7	20	245	244	19.93	280	275	19.63
	E. Internal Controls	7	20	245	245	20.00	280	277	19.79
	Total	45	100	1,575	1,566	99.54	1,800	1,775	98.66

Self-assessment questionnaire results for board members

Directors' Performance Self-Review Results				2022			2023		
Type	The assessment covers the following aspects	Number of questions	Weight (%)	Total score	Self-assessment score	score	Total score	Self-assessment score	score
Internal Assessment	A. Understanding of company goals and objectives	3	16.67	105	105	16.67	120	117	16.25
	B. Awareness of director responsibilities	3	16.67	105	105	16.67	120	118	16.39
	C. Participation in company operations	8	16.67	280	274	16.31	320	312	16.25
	D. Internal relationship management and communication	3	16.67	105	105	16.67	120	119	16.53
	E. Professionalism and ongoing education of directors	3	16.67	105	105	16.67	120	118	16.39
	F. Internal control	3	16.67	105	105	16.65	120	119	16.52
	Total	23	100.00	805	799	99.64	920	903	98.33

Audit Committee Performance Evaluation Results

Audit Committee Performance Self-Assessment Results		Number of questions	Weight (%)	2022			2023		
Type	The assessment covers the following			Total score	Self-assessment score	score	Total score	Self-assessment score	score
Internal Assessment	A. Degree of Participation in Company Operations	4	20	60	60	20.00	60	59	19.67
	B. Awareness of Audit Committee Responsibilities	5	20	75	75	20.00	75	73	19.47
	C. Enhancing the Quality of Audit Committee Decisions	7	20	105	104	19.81	105	104	19.80
	D. Composition and Appointment of Audit Committee Members	3	20	45	45	20.00	45	45	20.00
	E. Internal Control	3	20	45	45	20.00	45	45	20.00
	Total	22	100	330	329	99.81	330	326	98.94

Remuneration Committee Performance Evaluation Results

Remuneration Committee Performance Self-Assessment Results		Number of questions	Weight (%)	2022			2023		
Type	The assessment covers the following			Total score	Self-assessment score	score	Total score	Self-assessment score	score
Internal Assessment	A. Degree of Participation in Company Operations	6	20	90	90	20.00	90	89	19.78
	B. Awareness of Remuneration Committee Responsibilities	3	20	45	45	20.00	45	42	18.67
	C. Enhancing the Quality of Remuneration Committee Decisions	5	20	75	75	20.00	75	74	19.73
	D. Composition and Appointment of Remuneration Committee Members	2	20	30	30	20.00	30	30	20.00
	E. Internal Control	4	20	60	60	20.00	60	60	20.00
	Total	20	100	300	300	100.00	300	295	98.18

2.1.5 The Remuneration Policy

STARLUX determines Director and Chairman remuneration based on the "Remuneration of Directors and Managerial Officers" policy. The process involves Remuneration Committee deliberation and Board approval, considering industry standards, company performance, individual involvement, and contributions. Regulations ensure remuneration doesn't exceed previous levels during significant profit declines or prolonged losses. Performance evaluations link individual assessments to factors like quality, risk management, and talent development, ensuring a comprehensive approach to executive compensation.

For senior management, remuneration is benchmarked against industry salary levels and determined by job value. It is evaluated based on the "Employee Performance Evaluation Regulations", focusing on management performance and aspects like talent selection and development, serving as the basis for salary adjustments, promotions, and incentives. Additionally, senior management members are appointed to the "Corporate Sustainability Committee", with their effectiveness contributing to performance evaluations. Going forward, STARLUX will continue to explore mechanisms linking director and senior management remuneration to ESG performance.

As per the "Remuneration Committee Charter", the committee regularly reviews and evaluates performance evaluation criteria, annual and long-term performance goals, and remuneration policies, systems, standards, and structures for directors and executives. Individual remuneration is determined based on performance goals achievement. The results of this periodic review and evaluation are reported to the Board of Directors only after receiving approval from more than half of the committee's members annually.

Through this process, STARLUX ensures that performance evaluations and remuneration decisions for directors and executives adhere to reasonable standards while safeguarding the company's interests. This demonstrates the company's commitment to regular review and transparency in its remuneration system.

The Remuneration Policy

Director	• Based on "Directors and Managers Remuneration Regulations" • Salary: 0-150% of industry standards; Performance bonuses (evaluated by Remuneration Committee, approved by Board); No severance pay • Retirement Benefits: Only for directors with employee status • Profit Sharing: Up to 1% of annual profits allocated to directors • Business Expenses: Transportation, operational, and travel costs covered as needed • Policy ensures fair and transparent compensation structure
Managerial Officer	• Executive Remuneration Structure: • Fixed Compensation: Monthly salary: 0-150% of industry levels; Management allowances; Transportation allowances • Variable Compensation: Performance-based year-end bonuses; Employee remuneration (evaluated by Remuneration Committee); Special contributions (subject to committee review and Board approval) • Retirement Benefits: Compliant with Labor Standards Act and Labor Pension Act • Equity Incentives: Employee stock options as per company policy

2.1.6 ESG Management Structure

The Board of Directors, as the company's highest governing body, oversees critical functions including legal compliance, shareholder mandate execution, financial reporting, internal control evaluation, key personnel decisions, and strategic planning. All major corporate actions, from financial statements to executive appointments and strategic initiatives, require Board approval.

Throughout the year, the Board of Directors holds regular and special meetings to address corporate governance issues spanning economic, environmental, and social domains. These matters are managed either by the Board Chairperson or assigned to appropriate departments. In 2023, the Board convened 8 times, with no reports of negative impacts through whistleblowing channels or other means, and no significant events threatening company operations or relationships. Of the topics discussed, 3 pertained to sustainability, as detailed in the subsequent table.

The Corporate Sustainability Committee compiled the 2023 Sustainability Report, reviewing it internally in April 2024. In May 2024, an independent third party verified the report using the AA1000AS v3 standard. The Board of Directors then examined and approved the verification results. This rigorous process highlights the active involvement of top governance and management in sustainability matters.

As this marks the first year of publishing our Sustainability Report, utilizing the 2023 inventory data as a foundation, we plan to initiate discussions and planning for crucial short, medium, and long-term objectives in 2024. The Board of Directors will receive quarterly updates on the progress and accomplishment of these goals. This oversight by the highest governance body ensures comprehensive monitoring of STARLUX's sustainability strategy implementation.

Board-Level Sustainability Oversight and Implementation in 2023

Date	Board meeting agenda item
May 16, 2023, the 6th meeting of the 3rd Board of Directors	Establishment of STARLUX Airlines' "Corporate Sustainability Committee"
August 10, 2023, the 8th meeting of the 3rd Board of Directors	Formulation of STARLUX Airlines' "Sustainable Corporate Sustainability Principles"
December 26, 2023, the 11th meeting of the 3rd Board of Directors	Corporate Sustainability Implementation Progress: • Sustainability Report and ESG Webpage Development Timeline • Greenhouse Gas Inventory and Verification Process Planning • ESG Topic Prioritization: 15 Surveyed, 7 Key Areas Identified • Goal-Setting for Priority Topics: Short, Medium, and Long-Term Objectives Based on Annual Data

2.2 Ethical Integrity

Disclosure Content	Item	Content
Policy and Commitment	Policy / Commitments	• STARLUX prioritizes ethical standards through policies like Corporate Governance Guidelines and Code of Ethics, ensuring sustainable operations, risk mitigation, and stakeholder protection. This approach enhances reputation, boosts employee loyalty, and fosters long-term development, demonstrating the airline's commitment to responsible business practices.
Action Plan	Positive Impact Management	• STARLUX prioritizes integrity through employee education and training, embedding ethical principles into company culture. • A reward and punishment system reinforces this commitment, outlining penalties for violations and incentives for ethical behavior.
	Negative Impact Management	• STARLUX has established a complaint channel for reporting integrity violations, allowing prompt handling of issues and demonstrating commitment to ethical practices. • Employees are urged to report violations internally. STARLUX will inform authorities of illegal activities as required, ensuring compliance and addressing integrity breaches
Effectiveness Evaluation	Qualitative	• Incorporate ethical behavior norms into the annual performance evaluation of the Board of Directors and arrange annual integrity management training courses. • Conduct integrity management training for employees at least once a year. • Address integrity violations, promote policies, and report outcomes to Board and committees.
	Quantitative	• STARLUX's Legal & Insurance Div. conducts regular anti-trust compliance training. In 2023, all 3,664 employees completed anti-corruption education. • No ethical violations or integrity breaches were reported or occurred among employees this year.
Goal	Short-Term Goal	• Board of Directors meetings are held annually. • External experts provide 6-hour training to directors yearly, covering integrity management topics. • Annual integrity management training is conducted for all employees.
	Medium to Long-Term Goal	• Continuous integrity training is provided for the Board and staff, with proper handling and reporting of all related cases. • Board and committee performance is evaluated every three years by external independent experts. • Integrity management practices are extended to global operations.
Complaint Mechanism	Responsible Units	• Internal: Human Resources Div Integrity Operation Reporting Mailbox, Corporate Safety Div Security Review Committee • External: Customer Service Div, Service Quality Management Div
	Contact Information	• STARLUX has established an integrity reporting email (integrity@starlux-airlines.com), published on both their website and internal portal for reporting concerns.
	Reporting Mechanism	• STARLUX's Internal Whistleblowing Policy encourages reporting unethical behavior, ensures confidentiality, and protects whistleblowers from retaliation. • The External Feedback Process records and investigates passenger feedback, develops improvement plans, informs passengers of results, and provides compensation for service deficiencies when appropriate.

2.2.1 Anti-Corruption Training and Awareness

STARLUX Ethical Framework: On July 21, 2022, the Board of Directors approved the "Code of Ethics" and "Integrity Operating Guidelines." These documents aim to foster ethical behavior, integrity management, and a positive corporate culture by providing clear principles and guidance for employee conduct.

Integrity Management Oversight: The Board-approved "Integrity Operating Guidelines" and "Integrity Operating Procedures and Behavioral Guidelines" designate the Human Resources Department as the responsible unit. This department develops and oversees the implementation of integrity procedures and guidelines, and provides annual reports to the Board of Directors on related matters.

In 2023, STARLUX maintained exemplary ethical performance with no instances of corruption, integrity violations, legal cases, or misconduct across all operational sites in Taiwan. The company adhered to regulations regarding political contributions and charitable donations, upholding its code of conduct without any reported breaches.

STARLUX reinforced its anti-corruption commitment through comprehensive communication strategies and training initiatives. The company achieved 100% participation in its annual anti-corruption training, with 3,664 employees completing the program, marking a significant increase from 2022 and demonstrating the successful integration of anti-corruption efforts into daily operations.

◆ Strategic Integrity Integration: Embed ethical values in business strategy; collaborate with regulators to ensure operational integrity.

◆ Ethical Risk Management: Regularly assess operational risks for unethical behavior, formulate preventive measures, and develop corresponding SOPs and behavioral guidelines.

◆ Internal Control Structure: Design organizational frameworks with clear responsibilities and implement checks and balances for high-risk activities to prevent unethical behavior.

◆ Integrity Training: Implement and coordinate company-wide ethics education and policy awareness programs.

◆ Whistleblower System: Design and implement an effective, confidential reporting mechanism for ethical concerns.

◆ Integrity Auditing: Support leadership in evaluating ethics program effectiveness, conduct regular compliance assessments, and generate reports on business process adherence.

◆ Ethics Documentation: Create, maintain, and securely store all integrity-related policies, compliance records, and implementation reports.

Employee Participation in Anti-Corruption Training

Year	2022			2023		
Employee Category	Number of employees who have undergone anti-corruption training	Total number of employees in that category	Percentage of employees in that category who have received anti-corruption training	Number of employees in that category who have received anti-corruption training	Total number of employees in that category	Percentage of employees in that category who have received anti-corruption training
Senior Executives	2	47	4.3%	43	43	100%
Middle Managers	2	169	1.2%	206	206	100%
Frontline Supervisors	4	216	1.9%	267	267	100%
General Staff	896	2,095	42.8%	3,148	3,148	100%
Total	**904**	**2,527**	**35.8%**	**3,664**	**3,664**	**100%**

Note 1: Percentages are calculated based on the number of employees who have completed both the integrity management and antitrust law courses, without counting individuals more than once.

Note 2: The significant increase in anti-corruption training participation from 2022 to 2023 stems from the company's response to regulatory expectations, including new integrity guidelines and mandatory antitrust courses for new employees.

Anti-Corruption Education and Compliance Training

Course Names	2022		2023	
	Training Hours	Number of Participants	Training Hours	Number of Participants
Anti-Corruption Education Training	0	0	804	3,664
Anti-Competitive Behavior Education Training	845	904	4,282	4,209
Total	**845**	**904**	**5,086**	**7,873**

Note 1: Anti-corruption education is incorporated into the "Integrity Management" course, encompassing all employees, including flight crew.

Note 2: Anti-competitive behavior training is included in the "Antitrust Law" course for all employees, including flight crew.

Note 3: In 2023, the "Antitrust Law" course expanded to include compliance guidelines training, online modules for new hires on antitrust and data protection, and specialized training for cabin crew on antitrust law and workplace confidentiality.

2.2.2 Integrity Management Policy

Prior to forming business relationships, STARLUX evaluates potential partners based on Board-approved "Integrity Management Policy" and "Operational Procedures and Guidelines for Integrity Management," considering the company's operational requirements.

1. Before establishing business relationships, STARLUX evaluates the legitimacy and integrity policies of potential partners to ensure their operations are fair, transparent, and bribery-free.

2. During the assessment process, STARLUX may implement appropriate verification procedures to examine the following aspects of potential business partners:

3. STARLUX may verify potential partners by examining their location, structure, policies, and payment practices to ensure legitimacy and alignment with fair business standards.

◆ Whether the entity has established integrity policies and their implementation status.

◆ Whether the operating location of the entity is in a high-risk corruption country.

◆ Whether the business conducted by the entity belongs to a high-risk bribery industry.

◆ Long-term operating conditions and reputation of the entity.

◆ Opinions from business partners regarding the entity.

◆ Records of the entity's involvement in dishonest behaviors such as bribery or illegal political contributions.

4. STARLUX employees must avoid and cease dealings with dishonest business partners, listing them as undesirable counterparts. This practice upholds STARLUX's integrity management policy and ensures ethical operations.

5. STARLUX enforces a strict ethical code, prohibiting employees from engaging in dishonest acts, accepting improper benefits, or abusing their positions. The company forbids tolerating subordinates' dishonesty and reserves the right to immediately terminate employees for severe ethical violations. This policy upholds STARLUX's commitment to integrity and ethical business practices.

6. STARLUX assesses the integrity of potential partners before contracting. All contracts must include provisions that align with STARLUX's integrity management policy, ensuring partners adhere to the company's ethical standards in their business dealings.

◆ Parties must report any contract violations involving improper benefits, providing evidence and cooperating with investigations. The damaged party may seek compensation, deducting it from the contract price.

◆ Either party can immediately terminate or rescind the contract if dishonest behavior is discovered in business activities.

◆ Set clear, reasonable payment terms specifying location, method, and tax compliance.

2.2.3 Whistleblower System

STARLUX has implemented a public whistleblowing system with a dedicated email (integrity@starlux-airlines.com) accessible via their website and intranet. This system, outlined in the companys ethical management procedures, is available for both internal and external use. Designed to report potential ethical violations, the system received no reports in fiscal year 2023, potentially reflecting effective ethical practices or a need for increased awareness of the reporting channel.

STARLUX promotes reporting of dishonest or improper behavior by both internal and external individuals, offering potential rewards based on the severity of the incident. However, false reports or malicious accusations by internal personnel will result in disciplinary action, including possible dismissal for severe cases. Whistleblowers must provide specific information when making a report:

1. Whistleblower's name, identification data, contact information (address, phone number, email). Anonymous reports are also accepted.

2. Accused person's name or any identifiable characteristics.

3. Specific evidence for investigation.

4. Assurance of confidentiality regarding the whistleblower's identity and report content by the relevant personnel handling the report.

5. Assurance of protection against retaliation for whistleblowing.

6. Dedicated unit receives, investigates reports confidentially, takes action, informs management, and follows up, ensuring effective handling while protecting whistleblowers.

◆ Reports on general employees go to department heads; reports on directors or senior executives go to independent directors.

◆ The dedicated unit and supervisors quickly verify facts, seeking help from compliance or other departments when needed.

◆ If violations are confirmed, stop the behavior, take action, report to authorities if needed, and pursue legal measures to protect company interests.

◆ Document whistleblowing process and results; store for 5 years, electronically if desired. Extend retention if litigation occurs until case concludes.

◆ After verifying reported incidents, review internal controls and procedures. Propose improvements to prevent recurrence of similar issues.

◆ The dedicated unit must report whistleblowing incidents, their handling, and subsequent improvements to the Board of Directors.
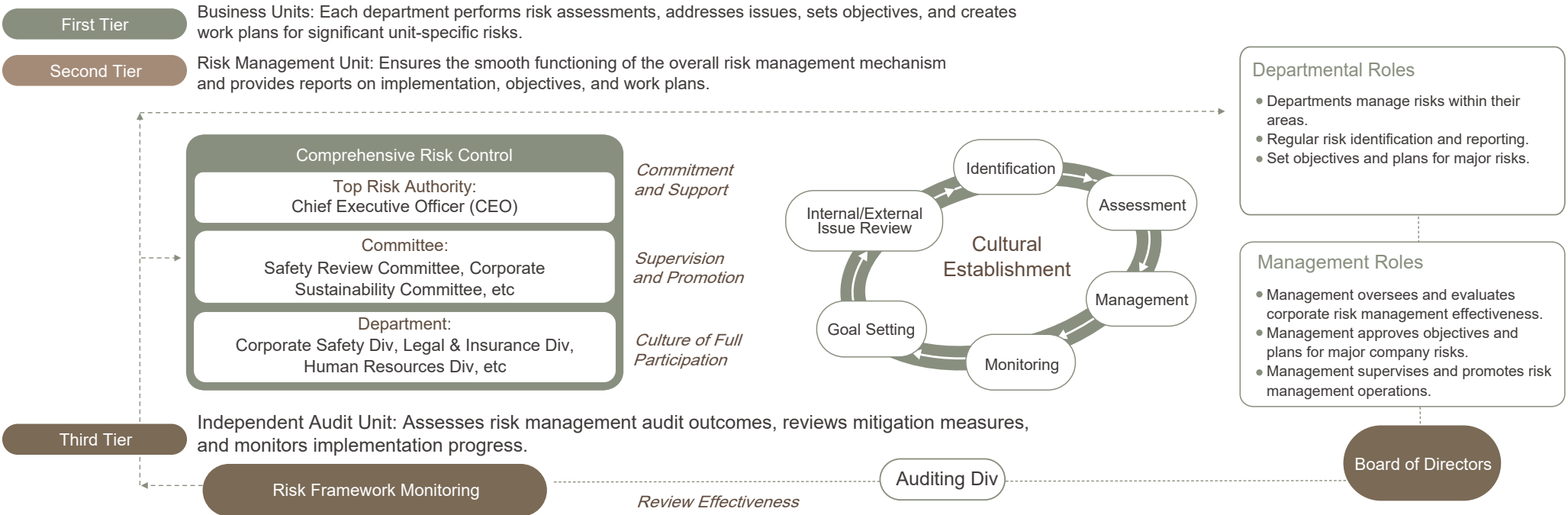
2.3 Risk Management

On May 22, 2022, STARLUX Airlines established the "Risk Management Procedures", which follow a structured approach including goal setting, expectation investigation, identification and assessment of risks and opportunities, determination of significant risks and opportunities, handling, process management oversight, and closure and archiving. These steps are designed to define the impact of risks and opportunities on the company and to develop appropriate responses.

2.3.1 Risk Management Framework and Accountability

STARLUX established multi-level internal regulations for comprehensive risk management, addressing external changes and pursuing sustainable development. The CEO oversees risk assessments, while the audit unit supervises execution. Specialized committees handle cross-departmental issues. The company has enhanced its risk management framework across points, lines, and surfaces.

STARLUX Airlines' Three-Tier Risk Management System

First Tier — Business Units: Each department performs risk assessments, addresses issues, sets objectives, and creates work plans for significant unit-specific risks.

Second Tier — Risk Management Unit: Ensures the smooth functioning of the overall risk management mechanism and provides reports on implementation, objectives, and work plans.

Comprehensive Risk Control

Top Risk Authority: Chief Executive Officer (CEO)

Committee: Safety Review Committee, Corporate Sustainability Committee, etc

Department: Corporate Safety Div, Legal & Insurance Div, Human Resources Div, etc

Commitment and Support

Supervision and Promotion

Culture of Full Participation

Identification · Assessment · Management · Monitoring · Goal Setting · Internal/External Issue Review · Cultural Establishment

Departmental Roles
- Departments manage risks within their areas.
- Regular risk identification and reporting.
- Set objectives and plans for major risks.

Management Roles
- Management oversees and evaluates corporate risk management effectiveness.
- Management approves objectives and plans for major company risks.
- Management supervises and promotes risk management operations.

Third Tier — Independent Audit Unit: Assesses risk management audit outcomes, reviews mitigation measures, and monitors implementation progress.

Risk Framework Monitoring

Auditing Div

Board of Directors

Review Effectiveness

2.3.2 Critical Risks and Countermeasures

Yearly risk evaluations and cross-functional meetings pinpoint industry shifts and operational hazards. Risks undergo sorting, cataloging, and analysis based on likelihood and severity. Critical risks receive priority, with mitigation plans crafted and monitored to completion. This methodical approach strives to maintain adequate oversight of potential threats, shielding against major financial setbacks, brand damage, or operational failures.

Risk Types and Safeguards

Risk Category	Risk Factor	2023 Risk-Opportunity Outlook	Risk Controls & Improvement Measures
Operational Strategy	Brand Reputation, Supply Chain, Strategic Goals, Operations & Support, Customer Experience	Strategic Risks Operational Risks Supplier Management Risks Customer Management Risks	• Vendor Management: Implement contract controls and performance standards. • Quality Assurance: Enhance communication, support, and acceptance processes. • Customer Service: Develop manuals, improve training, and deploy error-reduction systems. • Source: Chapter 3 - Brand Value and Service Innovation.
Governance and Compliance	Ethics and Morality, Industry Standards, Legal and Regulatory Compliance	Legal/Compliance Risks	Legal Amendment Monitoring System: • Establish a mechanism to regularly review and track legal changes • Implement a process to update internal procedures based on new regulations • Conduct staff training on compliance with updated laws • Incorporate industry-standard verification methods • Source: Section 2.5 - Regulatory Compliance
Financial	Market Competition, Financial System Integrity, Cash Flow Operations.	Financial Reporting Risks Market Risks (Product Prices)	• Risk Management: Finance-Operations partnership for risk assessment and control • Pricing Accuracy: Implement review system to prevent errors and protect brand • Financial Reporting: Establish checks for error-free annual disclosures
Aviation Safety	Fleet Acquisition, Counter-Terrorism, Airport Security, Air Traffic Control, Flight Operations	Flight Operations Manpower Risks Equipment/System/ Technology Risks Maintenance Risks	The company aims to meet transportation capacity demands and ensure aviation safety through system implementations like the CMGS fatigue monitoring module and backup plans, as well as personnel training for new pilots and simulation machine maintenance. Reference: Chapter 4 - Flight Safety and Security.
Information Security and Personal Data	Information Security System Integrity, Personal Data Protection Mechanisms	Personal Data Protection Risks Information System Risks	The company takes extensive measures to prevent any form of information leakage. This includes implementing systems like confidential data storage, dedicated personnel oversight, ISO information security and privacy management systems, and regular monitoring tools such as intrusion detection systems, firewalls, and virus detection. Additionally, the company provides data protection training for customer service personnel. Reference: Section 2.4 – Information Security and Customer Privacy.
Human Resources	Employee Knowledge, Skills & Techniques, Work Attitudes & Values, Human Resource Management, Occupational Safety & Health.	Personnel Recruitment and Retention Professional Training of Personnel Labor Relations	The company maintains a qualified workforce through regular manpower assessments, salary surveys, education and training programs, performance evaluations, promotion opportunities, and career development initiatives. To ensure a safe working environment and stable conditions for its personnel, the company implements safety regulations for machinery and equipment operations and prioritizes the physical and mental well-being of its employees. Reference: Chapter 6 - Harmony and Healthy Workplace.
Environmental	Waste Management, Energy Conservation & Carbon Reduction, Climate Change Mitigation & Adaptation.	Natural Disaster Risks (Earthquakes, Typhoons, Fires, etc.) Local Regulatory Risks	The company conducts on-site patrols, familiarizes staff with alarm systems, and verifies the adequacy of disaster prevention facilities to enhance safety. Additionally, it ensures that procedures for managing abnormal situations are memorized in duty plans and carries out biannual scenario drills to improve system operations. Reference: Chapter 5 - Sustainable Environment.
Other	Geopolitical Shifts, Socioeconomic Trends, Global Financial Dynamics, Emerging Threats, Natural Disasters.	Local regulatory risks	To address special route requirements and ticketing operations, it is essential to have a comprehensive understanding of local national and government regulations, as well as geopolitical changes. Proactively identifying potential issues and consulting with relevant units or professionals can help prevent passenger complaints and avoid potential fines.

STARLUX

2.4 Information Security and Customer Privacy

Disclosure Content	Item	Content
Policy and Commitments	Policy	To bolster its information security and privacy protection efforts, STARLUX has implemented comprehensive guidelines, including the "Information Security Management Policy" and the "Information Security Management Manual." These regulations serve as the foundation for the company's Information Security Management System, designed to enhance and advance the airline's objectives in safeguarding data and protecting customer privacy.
	Commitment	STARLUX is dedicated to delivering safe, high-quality, and comfortable boutique flight experiences. To uphold this commitment, the company focuses on implementing robust information security systems, strictly adhering to legal regulations, and maintaining customer trust. By prioritizing information security and privacy protection, STARLUX demonstrates its unwavering commitment to customers, shareholders, and partners alike.
Action Plan	Positive Impact Management	The company regularly conducts information security risk assessments and based on the ISO 27001 Information Security Management framework, comprehensively evaluates the cost required to improve or mitigate risks based on their impact, type, and probability. It prioritizes planning, execution, checking, and action (PDCA) methodology to implement improvements, and establishes a multi-layered information security defense system to enhance resilience and comprehensiveness.
	Negative Impact Management	STARLUX has established an "Information Security Incident Handling Procedure", outlining procedures for reporting information security incidents, roles of responsible personnel, risk assessment, damage control, and improvement measures to ensure that information security incidents do not have a significant impact on STARLUX's finances, business operations, or sensitive data.
Effectiveness Evaluation	Qualitative	STARLUX conducts quarterly assessments of the effectiveness of its information security objectives, holds quarterly meetings of the "Information Security and Personal Data Protection Management Committee," and implements semi-annual tracking reviews of the ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System to maintain certification validity.
	Quantitative	In June 2021, STARLUX successfully obtained certifications for both the "Information Security Management System ISO 27001:2013" and the "Privacy Information Management System ISO 27701:2019" following a review by an international standard verification organization. These certifications are set for renewal in March 2024. To stay current with evolving international standards, STARLUX launched a project in October 2023 to transition to the ISO 27001:2022 Information Security System. This initiative aims to enhance the company's information security management system and ensure continued compliance with the latest certification requirements.
Goal	Short-Term Goal	• STARLUX will undergo re-verification for ISO 27001:2022 and ISO 27701:2019 standards in 2024, ensuring compliance with updated security and privacy requirements. • The airline plans to implement real-time system account updates for personnel changes, improving change management efficiency. • STARLUX will enhance its Data Loss Protection (DLP) capabilities and blocking mechanisms to boost overall management efficiency.
	Long-Term Goal	STARLUX is committed to maintaining the validity of both the "Information Security Management System ISO 27001:2022" and the "Privacy Information Management System ISO 27701:2019" certifications. The company aims to enhance its defense capability visibility by establishing multi-layered defense mechanisms with associated risks and performance indicators. All information security and personal data-related activities within the company adhere to ISO 27001 and 27701 management standards and frameworks, ensuring a comprehensive approach to information security and privacy management.

Disclosure Content	Item	Content
Complaint Mechanism	Responsible Unit	Information Security Div
	Contact Information	Website: Visit "Passenger Support" and complete the "Feedback" form. Direct email: dpo@starlux-airlines.com
	Reporting Mechanism	1. The investigation process begins within 48 hours of incident discovery, following notification from the Information Security Management Team. 2. For general personal data incidents, the team completes a "Personal Data Breach Incident Report and Record Form" within 72 hours and notifies the competent authority. 3. Significant personal data incidents prompt immediate reporting to the Director Committee by the Aircraft Safety Team, who then forms a small-scale emergency response team. 4. Relevant units conduct self-assessments and implement corrective action plans, with the Information Security Team tracking progress to ensure closure.

2.4.1 Information Security Management Framework and Responsibilities

STARLUX established the "Information Security and Personal Data Protection Management Committee" at its inception. Led by the CEO, this committee includes a Data Protection Officer, an Audit Office, and six specialized teams: Aircraft Safety, Information Technology, Information Security Management, Requests and Complaints Handling, Administrative Coordination, and Compliance and Risk Management. These entities collaboratively make crucial decisions. Quarterly meetings are held to review and determine policies, development plans, and implementation effectiveness related to information security and personal data protection. This structure ensures robust information security governance and supports our sustainable business goals. In January 2024, the company further enhanced its commitment by creating the Information Security Office (evolving from the Information Security Div. under IT). This new office is responsible for planning, developing, and implementing the company's information security system, thereby continuously advancing information security governance across the organization.

Organizational Chart: Information Security and Personal Data Protection Management Committee
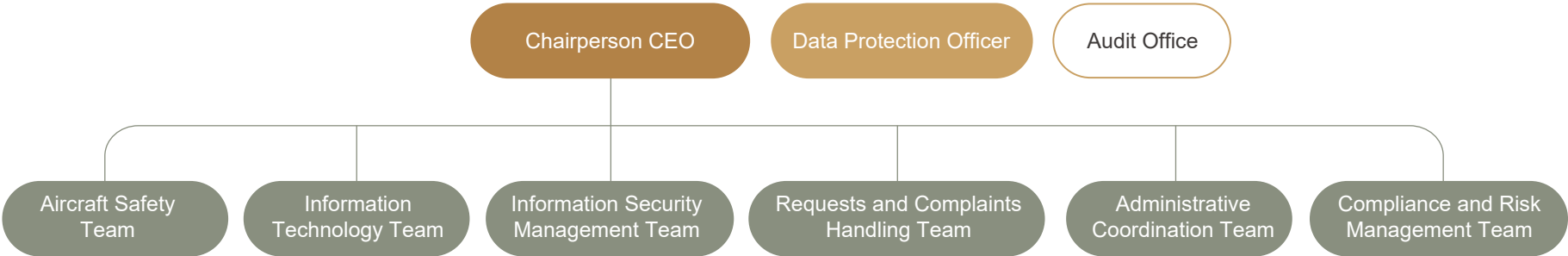
2.4.2 Information Security Management Strategy

STARLUX has implemented a robust Information Security Management System, establishing key policies and manuals to enhance information security and privacy protection. In June 2021, the company achieved a significant milestone by obtaining dual certifications: ISO27001:2013 for Information Security Management and ISO27701:2019 for Privacy Information Management. This achievement set a new standard for national airlines and demonstrates our commitment to providing secure and reliable boutique flight services through adherence to international standards and continuous improvement of operational processes.

To combat information security threats in the aviation industry, we have partnered with professional information security firms to provide 24/7 Security Operation Center (SOC) services. We have deployed a comprehensive suite of security systems, including Web Application Firewalls, network firewalls, Intrusion Prevention Systems, Mobile Device Management, antivirus software, and program source code detection. Our IT department conducts regular security updates and collaborates with information security consultants for annual vulnerability assessments and prompt remediation. For aircraft operations utilizing advanced technologies like Electronic Flight Bags (EFB), we work closely with manufacturers such as Airbus to implement safety-first management systems that comply with regulatory requirements, ensuring the highest standards of operational security.

2.4.3 Information Security Incident Response Plan

STARLUX has established a comprehensive "Information Security Incident Management and Response Protocol" to effectively handle security breaches, delineate responsibilities, evaluate risks, mitigate damages, and implement enhancements. This framework is designed to minimize the impact of information security incidents on the company's financial health, operational continuity, and data integrity. Quarterly reports on incident management are presented to the Information Security and Data Protection Committee. For critical events, a dedicated emergency response team is mobilized to ensure rapid containment, recovery, and thorough investigation. As of now, STARLUX has not encountered any major security breaches resulting in significant harm, regulatory action, or penalties exceeding TWD1 million. In 2023, a complaint filed with the Civil Aviation Administration was thoroughly examined and determined to be a customer service matter rather than a data security issue. Appropriate clarifications were provided to the relevant authorities and concerned parties.

Customer Privacy Breaches and Data Loss Incidents

Year	2022	2023
Verified External Privacy Complaints	0	1
Regulatory Privacy Complaints	0	0
Customers Affected by Data Breaches	0	0
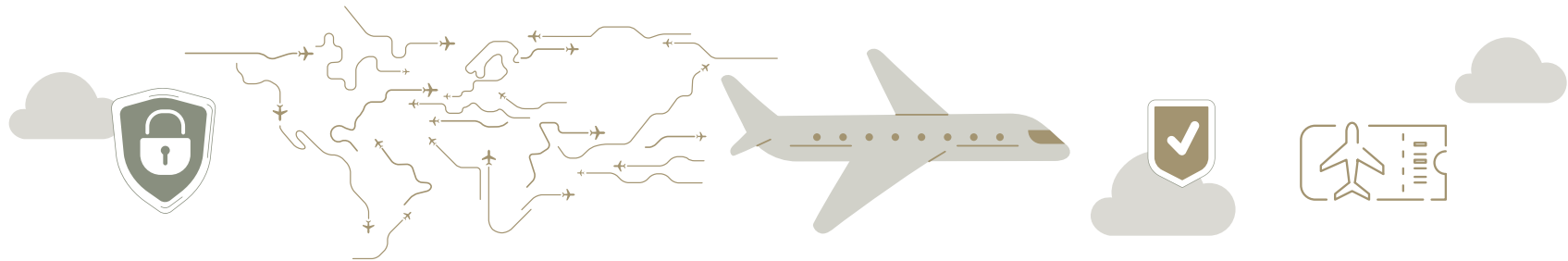
2.4.4 Information Security Incident Response Plan

STARLUX implements a comprehensive information security training program that requires all employees to undergo at least one hour of annual training, with specific units handling sensitive data required to complete two hours. The airline conducts yearly phishing simulations followed by awareness training, as well as annual exercises in operational continuity, personal data incident response, and aircraft information system emergencies. This multi-faceted approach combines theoretical education with practical exercises, tailoring training intensity based on employee roles. The program aims to foster a company-wide culture of information security awareness and preparedness, focusing on both information security and personal data protection. By doing so, the company enhances its overall ability to safeguard sensitive information and respond effectively to potential security incidents across the organization.

Information Security and Personal Data Protection Training

Training Name	Training Target Audience	2022		2023	
		Number of Participants	Course Hours	Number of Participants	Course Hours
Information Security and Personal Data Protection Education Training I	All Employees	1,589	1	3,251	1
Information Security and Personal Data Protection Education Training II	Employees who directly handle personal data of employees or passengers	918	1	2,201	1
Subtotal		**2,507**	**2**	**5,452**	**2**
Social Engineering and Phishing Email Education Training	Colleagues who did not pass the phishing email exercise.	120	4	150	4
Total		**2,627**	**6**	**5,602**	**6**

2.5 Regulatory Compliance

STARLUX has implemented a robust "Legal Compliance and Regulatory Response Protocol" to ensure adherence to domestic and international laws. The company's Legal & Insurance Div. (LID) actively monitors significant policy and legal changes, promptly informing relevant units of necessary compliance measures. In 2022, STARLUX faced no significant sanctions for regulatory violations. However, 2023 saw four instances of monetary fines totaling approximately TWD580,000 and two non-monetary penalties. The company addressed these violations seriously, implementing improvements and disciplinary actions as per internal regulations. Relevant units clarified incident causes and submitted improvement plans to strengthen control measures and prevent recurrence. The LID continues to play a crucial role in maintaining STARLUX's legal compliance, minimizing risks, and upholding the company's reputation in the aviation industry. Detailed information about the sanctioned events, including causes, penalties, and corrective actions, is documented and reviewed regularly to ensure ongoing compliance and operational excellence.

◆ Regulatory Fines Summary (2022-2023)

Note: STARLUX defines major violations as fines exceeding TWD100,000.

Penalty Dates:	Description of Major Regulatory Violation Events:	Violated regulations or articles	Follow-up improvement measures	Amount of Fines TWD thousand
September 13, 2023	STARLUX's flight JX0001 experienced passenger identity verification issues, leading to discrepancies in boarding numbers and manifest, as well as transporting luggage of absent passengers. This resulted in a TWD150,000 penalty from the Civil Aviation Administration.	Paragraph 2 of Article 10, and Paragraph 1 of Article 12 of the Regulations on Safeguarding Civil Aviation Against Acts of Unlawful Interference	STARLUX's Airport Operations Div. swiftly updated procedures, using the incident as a case study in station meetings. Los Angeles airport ground handling agents were mandated to provide aviation security refresher training for staff handling STARLUX operations. The Civil Aviation Administration approved these corrective measures.	15
September 22, 2023	Taoyuan City Government's Labor Inspection Office found STARLUX in violation of the Occupational Safety and Health Act, Article 6, Paragraph 1, due to inadequate kitchen equipment labeling and protection. Consequently, a TWD100,000 fine was imposed as per Article 43, Paragraph 2 of the same Act.	Paragraph 1, Article 6 of the Occupational Safety and Health Act	STARLUX promptly enhanced kitchen equipment labeling and protection measures, while also performing a thorough inventory of all mechanical equipment to ensure full compliance with applicable occupational safety and health regulations.	10
November 9, 2023	Following flight operations at Taoyuan International Airport, STARLUX failed to verify proper locking of a control door, violating the airport security plan and Civil Aviation Act Article 112-4, Paragraph 1, Sub-paragraph 1. Consequently, a TWD130,000 fine was imposed as per Paragraph 2 of the same article.	Regulations of airport security plan and Subparagraph 1, Paragraph 1 of Article 112-4 of the Civil Aviation Act	STARLUX's Airport Operations Div. swiftly updated operational procedures and enhanced orientation training on restricted area and gate access regulations. They also issued operational notices to reinforce rules regarding restricted area and gate access, ensuring compliance with security protocols.	13
December 15, 2023	On NOV 26, 2023, STARLUX failed to verify a passenger's credentials for flight JX0002 from Taipei to Los Angeles, resulting in deportation. This violated US Code Section 1323 and Immigration and Nationality Act Section 273, incurring a USD6,696 fine (about TWD200,880).	Section 1323 of the United States Code and Section 273 of the Immigration and Nationality Act	STARLUX cooperated with authorities to complete the investigation. The company implemented comprehensive operational procedures and enhanced training to prevent future incidents, including stricter credential checks and improved security practices.	20
Definition of Major Violations (see Note)		Annual total fines (TWD thousand)		58

◆ Summary of Non-monetary Sanctions for Significant Regulatory Violations (2022-2023) (Table 2)

Date of penalty	Explanation of Violations of Laws/Regulations	Violated Regulations or Articles	Subsequent Improvement Measures
June 23, 2023	During JX0002 flight's ground preparation, unauthorized passenger(s) entered the cockpit to gather content for personal social media. This violated Civil Aviation Administration rules. The Administration issued a warning and mandated immediate corrective measures to address this security breach.	Article 194 of the Aircraft Flight Operation Regulations as stipulated by Paragraph 2, Article 41-1 of the Civil Aviation Act.	Improve Crew Resource Management (CRM) training and promotion to bolster flight crew coordination and effectiveness.
June 23, 2023	Flight attendants on JX0802/JX0803 flights exceeded allowed duty hours, violating regulations. The Civil Aviation Administration warned the airline and demanded immediate corrective measures be implemented.	Article 38-3 of Aircraft Flight Operation Regulations as stipulated by Paragraph 2, Article 41-1 of the Civil Aviation Act.	Enhance training on flight duty time limits and improve protocols for handling irregular flight situations.

STARLUX adapts to regulatory changes, enhancing practices as needed. For U.S. routes, we updated our privacy policies to comply with California law, implementing bilingual revisions on April 21, 2023.

Vietnam's data protection decree, effective July 1, 2023, was communicated to relevant departments and branches by Legal & Insurance Div. on June 29. STARLUX enhances compliance awareness through internal promotions, training, and expert lectures. To improve understanding of flight delay/cancellation responsibilities, management received briefings, and key personnel attended seminars (20 participants total). In May 2023, Prof. CHOIU from Chung Yuan Christian University lectured on aviation labor laws to Cabin Crew Div., Human Resources Div., Flight Operations Div., and Legal & Insurance Div., enhancing their legal knowledge.

3 Brand Value and Innovative Services

3.1 Brand Strategy and Development

3.2 Customer Satisfaction and Innovative Services

3.3 Sustainable Supply Chain Management

3.1 Brand Strategy and Development

| Disclosure Content	Item	Content
Policy and Commitment	Policy	STARLUX has implemented brand strategy guidelines to oversee its corporate identity.
	Commitments	STARLUX upholds principles of precision, openness, and integrity to maintain uniformity across all brand elements, solidifying its position as a premium carrier. The airline is dedicated to delivering exceptional in-flight experiences, ensuring travelers globally can enjoy secure and superior journeys. This commitment reinforces STARLUX's reputation for luxury and excellence in the aviation industry.
Action Plan Effectiveness Evaluation	Positive Impact Management	STARLUX actively pursues brand partnerships and engages robustly on social media to broaden its customer reach and enhance brand equity. We focus on maintaining a strong online presence and connecting with its target audience. It ensures consistent, accurate information across all channels and cultivates positive media relations to reinforce its reputation for reliability and expertise in the aviation sector.
	Negative Impact Management	STARLUX emphasizes rapid, accurate crisis communication through media relations and social media monitoring. We quickly share correct information, engage in key discussions, and address negative comments to protect our image. This proactive strategy maintains transparency and reduces misinformation during difficult times.
Effectiveness Evaluation	Qualitative	STARLUX crafts marketing plans and budgets for brand promotion and growth. It evaluates ad campaigns using online metrics and monitors media coverage to gauge brand visibility. These efforts aim to enhance the airline's reputation and market presence.
	Quantitative	Every brand-related press release generates at least 10 news reports, and by the close of 2023, the brand has garnered coverage in over 14,000 news articles.
Goal	Short-Term Goal	To enhance fan and member community experiences, the immediate objective is to sustain an overall social media interaction rate exceeding 0.2%, while aiming to boost website and app traffic by 10%.
	Medium to Long-Term Goal	The company is enhancing follower and member experiences through integrated resource systems. This allows staff to access images and maps independently, improves search functionality across brand assets, and maintains social media engagement. The system achieves a 10% annual improvement in interaction rates.
Complaint Mechanism	Responsible Units	Corporate Communications Div
	Contact Information	Corporate Communications Div Email: crd@starlux-airlines.com STARLUX Airlines Customer Service Center: +886-2-2791-1000
	Reporting Mechanism	Corporate Communications Div. actively monitors internal and external brand-related issues. Upon discovery, STARLUX promptly assesses situations, communicates with relevant units, and prepares accurate statements if needed. The team then monitors media and social sentiment, ensuring effective crisis management and prevention of recurrence.
Communication Achievement	Positive and Negative Feedback	Consistently communicate brand image and key company messages via social media, press releases, and public events. Promptly respond to consumer and media inquiries through official channels. Relay feedback to relevant internal departments to continuously improve services and maintain a positive brand image.
	Improvement and Prevention Measures	Promptly address customer concerns and issues through various channels, including social media platforms and official website feedback systems.

3.1.1 Brand Core

Brand Core Belief	Creating the perfect journey, believing that each journey of the passengers is unique, irreplaceable, precious, and worth remembering.
Brand Vision	A team of professionals and challengers, holding itself to the highest standards down to the most meticulous detail. An airline that never stops improving to provide superlative benefits to associates and exceeding the expectations of customers.

STARLUX aims to deliver premium flight experiences and services, ensuring global travelers enjoy safe, high-quality journeys. Our brand design embodies the spirit of soaring through the skies. The ivory-white tail wing symbolizes our pursuit of excellence and high standards. It represents our passion for aviation and unwavering commitment to customer satisfaction.

Polaris & Wing

The North Star represents founder CHANG Kuo-Wei's passion for cosmic exploration and his courage to pursue it. It also symbolizes his deep gratitude for his father's inspiration and guidance throughout.
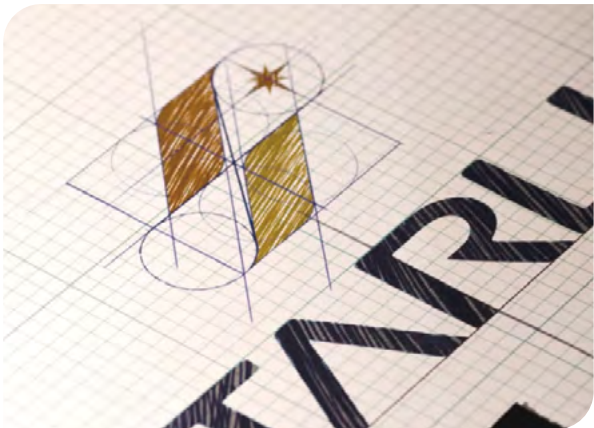
Corporate Standard Colors:

Drawing inspiration from earth and wood elements, we selected a color palette reflecting the natural hues seen from high altitudes. This choice embodies our profound respect and admiration for the beauty of our planet's landscapes.
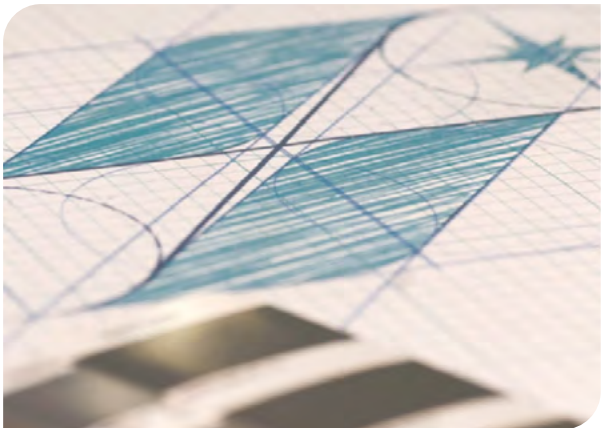
Infinity Symbol

The infinity symbol subtly integrated within the wing color blocks represents STARLUX's core brand belief: a relentless pursuit of boundless possibilities in aviation and service.

Earth Gold

Representing morning, innovative thinking and hospitality.

Rose Gold

Representing sunset, professional orientation and luxurious equipment.

Obsidian Gray

Representing night, discipline and safety first.

3.1.2 Brand Strategy

STARLUX positions itself as a "Luxury Airline" at its core, challenging conventional airline concepts. It aims to create a unique boutique image, setting itself apart from competitors. Through comprehensive branding, innovative design in both hardware and software, and strategic business partnerships, STARLUX reinforces its luxury airline positioning. This approach ensures a consistent brand image across all touchpoints, enhancing global recognition, fostering customer loyalty, targeting specific markets precisely, and broadening its potential customer base.

Brand Core Strategy

STARLUX employs Segmentation, Targeting, and Positioning (STP) as its primary brand strategy. This approach enables precise market segmentation, allowing us to accurately identify and address customer needs. By setting corresponding objectives, we aim to strengthen the brands impact and presence in the competitive aviation industry.

Market Segmentation	To address the unmet demand in Taiwan's premium aviation sector, providing superior amenities and services across both tangible and intangible aspects of air travel.
Target Market	Focusing on corporate travelers and affluent consumers who value superior in-flight experiences and are willing to pay a premium for enhanced comfort and service.
Positioning	Establishing a distinctively Taiwanese luxury airline brand that embodies premium quality and exclusivity.

From its launch, STARLUX has embraced a "Premium Boutique" identity to carve out its niche in luxury aviation. The airline actively pursues marketing initiatives and partnerships with prestigious brands to orchestrate events and campaigns. Through these high-end collaborations, STARLUX consistently reinforces its upscale image, broadens its market impact, and cultivates strong relationships with its target demographic.

Co-Branded Partners	Project Descriptions	Project Benefits
Club Med	In October 2022, STARLUX and Club Med jointly offered a premium ski package. The social media promotion featured an all-inclusive trip prize with STARLUX economy flights between Taipei and Sapporo, plus Club Med's accommodations and meals at Kiroro Peak Ski Resort. This partnership highlighted both brands' dedication to high-quality travel experiences.	• Boosting route awareness through partnerships with luxury hotels, enhancing STARLUX's premium brand image. • In December, 60% of Hokkaido travelers chose STARLUX's flight-hotel package, indicating growing brand recognition.
Hoshino Resorts	Since 2022, STARLUX has continued its "Encounter the Stars" partnership with Hoshino Resorts, expanding to more Japanese destinations. This collaboration pairs STARLUX's premium flights with Hoshino's luxury accommodations, creating a unique boutique travel experience. The partnership reinforces both brands' upscale positioning and differentiates their offerings from standard travel packages.	• Partnering with luxury hotels to boost awareness of Northeast Asian routes, reinforcing premium brand image, generating media coverage and steady sales. • 2023 sales exceeded 1,000 orders.
Johnnie Walker	In 2022, STARLUX partnered with Johnnie Walker for a "Travel Beyond" Mid-Autumn Festival campaign. Together we launched a limited-edition XR21 & STARLUX 2022 gift box, embodying both brands' innovative spirit. The collaboration included an in-flight tasting event, further strengthening their partnership and showcasing their commitment to premium experiences.	• Luxury hotel partnerships boost Northeast Asian route awareness, reinforce premium brand, generate media coverage and steady sales. • 7,000 units sold out entirely within a month.

Co-branded Partners	Project Descriptions	Project Benefits
SONY	SONY partnered with STARLUX for the San Francisco route launch in October 2023, providing 28 premium noise-canceling headphones for first-class passengers. STARLUX integrated these headphones into promotional materials and social media content, enhancing visibility for both the new route and SONY's products, effectively expanding exposure for both brands.	• Enhance first-class passengers' brand loyalty toward STARLUX. • Strengthen STARLUX's premium appeal by collaborating with a high-end headphone brand. • Leverage the association with SONY's image of high quality, reliability, and comfort to reinforce a similar positive brand image for STARLUX Airlines, while also expanding the customer base.
La Mer (Estée Lauder)	To mark its North American route launches in 2023, STARLUX partnered with La Mer, Estée Lauder's luxury skincare brand. Passengers on Taipei to Los Angeles and San Francisco flights received exclusive La Mer gift sets, celebrating this significant milestone for the airline.	• Partner with premium skincare brands to enhance STARLUX's luxurious image, impressing passengers and showcasing brand strength. • Reach high-end skincare brand clients to expand the customer base and achieve mutual brand synergy.

STARLUX has effectively cultivated a "Boutique Aviation" image through its core brand strategy. Since its launch, the company has attracted substantial attention from both local and international media, as well as widespread recognition on social platforms. Consistent media coverage has emphasized our connection to boutique and luxury concepts, further solidifying STARLUX's position as a premium aviation brand in the market.

Target Market Strategy

STARLUX leverages Taiwan's strategic location to develop transit networks between North America and Southeast Asia. This strategy offers passengers more convenient and flexible options, meeting diverse travel needs. It enhances STARLUX's competitiveness in the international market while strengthening Taiwan's position as a global transit hub.

Market	Market Strategy Explanation
Taiwan	STARLUX has established a notable presence in the Taiwanese market. We persistently enhance our brand visibility and recognition through new route promotions and cross-industry collaborations. Our efforts focus on expanding our customer base beyond aviation enthusiasts and business travelers, reaching diverse demographics through strategic partnerships with various brands and influential figures (KOLs). This multi-faceted approach aims to broaden our appeal and solidify our position in the market.
Southeast Asia	In Southeast Asia, STARLUX focuses on building a premium image and increasing brand recognition. We use prominent advertising spaces with high-quality content to create a luxurious brand perception. Our digital targeting strategy aims to attract passengers transiting to North America. We engage with locals through events in popular areas and manage social media platforms to foster connections with fans, strengthening the brand's emotional bond with customers in the region.
Northeast Asia	In Northeast Asia, STARLUX aims to establish a premium image and boost brand awareness. We employ both online and offline promotional strategies, capitalizing on the regions interest in Taiwan tourism. By integrating brand content into popular local media and travel shows, we seek to enhance our visibility among our target audience.
North America	In North America, STARLUX aims to cultivate a premium image and enhance brand recognition. We partner with local sports teams, utilizing sporting events to increase our visibility. Our marketing emphasizes convenient connections from Taipei to key Southeast Asian destinations, appealing to the local Southeast Asian diaspora. We also focus on the Taiwanese community, participating in Chinese-language media and Taiwanese community events. This strategy aims to attract Taiwanese passengers for their homeland visits, positioning STARLUX as their preferred carrier for these journeys.

STARLUX actively pursues market expansion in Taiwan, Southeast Asia, Northeast Asia, and North America. Recognizing the unique demands of each region, the company implements tailored marketing strategies and executes diverse initiatives throughout 2023 to meet its objectives. These carefully crafted efforts are designed to establish a robust and impactful brand presence across these markets, with the ultimate goal of attracting a broader and more diverse passenger base.

Target Markets	Project Name	Project Descriptions	Project Benefits
Southeast Asia Taiwan	Original Chinese Drama "Oh No! Here Comes Trouble"	In April 2023, STARLUX sponsored actors TSENG Jing Hua and SUNG Yun Hua's Bangkok trip to promote "The Obsession Cleanser" drama. In return, iQIYI agreed to feature STARLUX ads on its Southeast Asian app.	iQIYI, a popular video platform with 26 million monthly active users in Southeast Asia, partnered with STARLUX to increase the airlines visibility in the region.
	Sponsorship of North American singer Ylona	STARLUX sponsored singer Ylona's travel between Los Angeles and Manila for her 88rising-organized concert.	Filipino-Australian singer Ylona partnered with STARLUX to boost brand awareness and highlight the airlines North America to Southeast Asia routes.
Taiwan	In partnership with the Michelin three-star restaurant Taïrroir.	STARLUX collaborated with Michelin three-star restaurant Taïrroir to launch a new first-class menu. The event at the Taoyuan Flight Operations Center featured Chef Kai Ho and media guests, highlighting STARLUX's dedication to premium in-flight dining.	The Taïrroir partnership event expands STARLUX's appeal, demonstrates culinary innovation, and emphasizes Taiwan's gastronomic prowess in aviation dining experiences.

◆ In partnership with the Michelin three-star restaurant Taïrroir

Target Markets	Project Name	Project Descriptions	Project Benefits
Taiwan	Muyao4 Super Playing	Partnered with Taiwanese show "Muyao4 Super Playing" for hosts to experience roles as aircraft engineer and flight attendant. This initiative educates locals about aviation, while showcasing Taiwan's high service standards globally through media coverage.	This partnership highlights aviation professionals' dedication, showcases Taiwan's high-quality airline services globally, emphasizes aircraft safety details, and boosts STARLUX's international reputation as a representative of Taiwan's aviation industry
	ITF Taipei International Travel Fair	Joined Taipei International Travel Fair (ITF) in 2022 and 2023, Taiwan largest travel expo with 1,300 booths in 2023. Partnered with NBA team LA Clippers to build a basketball court at the 2023 fair, offering visitors a taste of North American sports culture and creating an energetic atmosphere.	At 2022 fair, STARLUX showcased high-quality seats, attracting potential customers and boosting ticket sales through hands-on experience. The event generated over 170 news mentions in four days, increasing industry exposure. The 2023 fair saw STARLUX achieve TWD8 million in sales over four days. It boosted awareness of their partnership with LA Clippers, promoting North American flight tickets. The event generated over 80 news mentions.
Northeast Asia	TV Asahi <Good Morning>	To boost brand recognition in Japan, invited TV Asahi, Japan's largest TV station, to experience STARLUX's premium in-flight services and tour Taoyuan Flight Operations Center training facilities. This initiative emphasized the airlines commitment to safety and quality service.	Featured on Japanese morning news broadcasts, STARLUX gained significant exposure to local viewers, creating a memorable impact. This visibility attracts Japanese culture enthusiasts and effectively promotes the airline's routes to Japan, strengthening its position in the market.
	Chenvia Lee	Partnered with Chenvia Lee, a Taiwanese media outlet in Japan, offering a Tokyo-Taipei round-trip economy ticket. The collaboration featured visits to STARLUX Taipei flagship store and airport VIP lounge, providing an architect's perspective on these facilities.	The partnership introduces STARLUX Airlines to Los Angeles locals and global NBA fans, expanding brand awareness among diverse audiences worldwide.

◆ Muyao4 Super Playing

◆ ITF Taipei International Travel Fair

◆ TV Asahi <Good Morning>

◆ Chenvia Lee

Target Markets	Project Name	Project Descriptions	Project Benefits
Northeast Asia	Co-Branding Event: MLB Los Angeles Dodgers and NBA Los Angeles Clippers	To celebrate the April 2023 Los Angeles route launch, STARLUX partnered with the LA Dodgers and Clippers as airline sponsors. Passengers receive team-themed merchandise at check-in and in-flight, appealing to local sports fans and strengthening the airlines presence in the LA market.	Travelers on STARLUX's Taipei-Los Angeles flights will gain exposure to these renowned LA sports teams through various onboard experiences and promotions
	Sponsored Hollywood Asian-American star Ross Butler	Sponsored Hollywood Asian-American star Ross Butler to travel to Malaysia for filming.	Actor Ross Butler, famous for "13 Reasons Why" and "Shazam!", boasts 11.88 million Instagram followers. This partnership aims to boost STARLUX's visibility among North American Asians and enhance its global brand recognition.
	Sponsored NBA player Michael Porter Jr.	Sponsored NBA player Michael Porter Jr. to come to Taiwan for a charity event.	NBA star Michael Porter Jr. of the Denver Nuggets partners with STARLUX to promote the new Los Angeles-Taipei route, leveraging the popularity to boost awareness.

◆ Co-Branding Event: MLB Los Angeles Dodgers and NBA Los Angeles Clippers

3.1.3 Brand Innovation Highlights

#### Safe Soaring: In-Flight Safety Video "STARWONDERERS"

STARLUX Airlines "STARWONDERERS" safety video received seven nominations at the prestigious Telly Awards, often called the "TV Oscars" in the US. It won Silver Awards in all nominated categories: animation, art direction, travel video, 3D graphics/animation, visual effects, 3D animation, and 3D animation application.

STARLUX Airlines' "STARWONDERERS" safety video is a collaborative effort by Taiwan's leading production teams: DAIKIDO, FISH FILM PRODUCTIONS, and Moonshine Studio. The video features an original script and diverse characters, demonstrating exceptional production quality. It rapidly gained popularity, exceeding one million YouTube views shortly after release. Moonshine Studio submitted the project for international awards, competing with global production teams and showcasing Taiwan's animation prowess on the world stage. This achievement further highlights the country's excellence in animation production and its ability to compete internationally.

Limited-edition Departure: "STARBOX PROJECT RE." and "XR21 Travel Beyond Edition."

STARLUX Airlines and Press Butter Sand collaborated on "The STARBOX PROJECT RE.", a Mid-Autumn Festival gift box series. First launched in 2020 and reintroduced in 2021, it features two annual colors: "Glacier Blue" and "Space Gray". The partnership with the popular Japanese brand generated significant buzz and fan excitement, resulting in record-breaking sales of over TWD12 million.
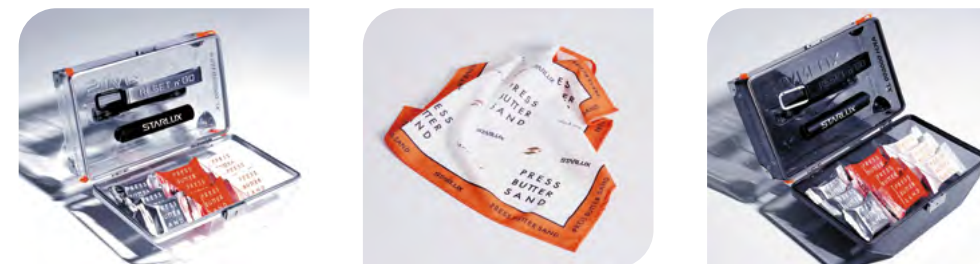
In 2022, STARLUX partnered with renowned whisky brand Johnnie Walker to create the "XR21 Travel Beyond Edition", a limited-edition release. This collaboration showcased STARLUX's brand essence through a subtle yet luxurious design, departing from traditional Mid-Autumn Festival gift box concepts. The project targeted both STARLUX Airlines fans and Johnnie Walker enthusiasts. The "XR21 Travel Beyond Edition" was a resounding success, with all 7,000 sets selling out within a month. This achievement further underscored the market appeal of STARLUX's innovative collaborations and their ability to captivate consumers with unique, high-quality offerings.

Star of Prevention: JIU JIU & JX STYLE Branded Face Masks

STARLUX collaborated with Taiwan's JIU JIU mask manufacturer to create three mask series. The first, launched in May 2021, featured designs inspired by staff uniforms. A second collection in December 2021 incorporated aircraft fuselage elements. In September 2022, they released a British-style design with aviation geometric elements, followed by 3D masks in October 2022. These collaborations showcased STARLUX's commitment to innovative and stylish branded merchandise.

Despite the pandemic's impact on aviation, STARLUX launched protective masks featuring aviation elements. This initiative provides essential protection while evoking memories of overseas travel through everyday items. By incorporating travel elements into daily life, STARLUX aims to help people reminisce about past journeys and anticipate future adventures once the pandemic subsides.

The four generations of masks collectively generated sales exceeding TWD30 million, demonstrating strong market performance. This collaboration went beyond introducing mask products; it effectively conveyed the brand image to consumers through practical items, enhancing brand awareness. By incorporating epidemic prevention elements, the collaboration successfully connected with consumers, meeting their needs while reinforcing STARLUX's brand presence in their daily lives.
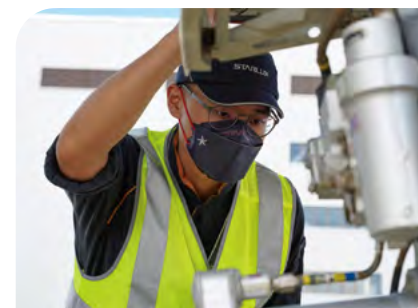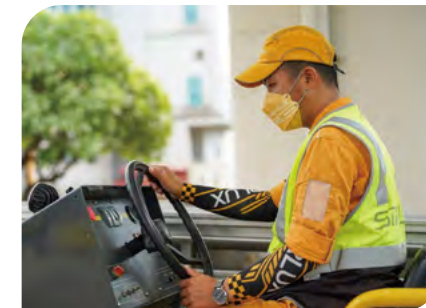
Brand Nexus: New Generation Networking

STARLUX expands its brand influence through strategic online promotions and collaborations. By leveraging engaging themes and partnering with influential figures, the airline effectively reaches a broad digital audience. This approach demonstrates STARLUX's commitment to innovative marketing, adapting to digital trends and connecting with modern consumers through creative content and partnerships.

Project name	Project Descriptions	Project Benefits
Famous Taiwanese Singer：ØZI	In April 2023, STARLUX sponsored rising artist ØZI for a Taipei-Bangkok round-trip, gaining exposure through the singer's social media and YouTube Vlog.	This partnership enhanced STARLUX's trendy image, appealing to younger audiences. It reinforces air travel as stylish and modern, not just transportation. The collaboration positioned STARLUX as a fashionable choice for contemporary travelers.
Famous Taiwanese Singer：MUTA	In November 2023, STARLUX sponsored rapper MUTA's Tokyo trip, featuring sumo wrestling and motorcycling. The visit included Araiso-beya sumo stable, where Soukokurai, the top-ranked Chinese sumo wrestler, shared techniques.	MUTA, a popular Taiwanese rapper from "MJ116", has a strong following among young people. This partnership allows STARLUX to increase its brand awareness and reach new demographic segments, particularly younger audiences.
Bad Education	STARLUX sponsored the "Bad Education" Taiwanese film team's attendance at the 17th Osaka Asian Film Festival. Lead actor Kent Tsai represented the group, highlighting the airline's support for Taiwanese cinema internationally.	The film's director and cast are highly renowned, gaining significant exposure on social media and news outlets. As this project falls under entertainment media coverage, it helps STARLUX reach diverse customer segments.
Food IG: 4foodie	STARLUX sponsored Instagram food account "4foodie" for a Los Angeles trip, featuring local restaurants and highlighting STARLUX's in-flight meals on the route, providing comprehensive coverage of both culinary experiences.	4foodie influences young women with trusted restaurant reviews and a loyal fanbase. This partnership helps STARLUX reach younger demographics on the Taipei-Los Angeles route, showcasing its quality in-flight meals through engaging food content to attract passengers who value onboard dining experiences.
Blog: It's My Pleasure	Sponsoring family travel blogger Its My Pleasure for a Taipei-Singapore round-trip, highlighting the luxury economy class experience on the return flight, with a focus on family-friendly features and amenities.	Its My Pleasure, a travel blogger, GQ and VOGUE columnist, and Sony Taiwan photographer, has explored 20 countries. This collaboration helps STARLUX reach travel and photography enthusiasts, leveraging the blogger's diverse expertise and broad influence in these fields.

◆ 4foodie

◆ It's My Pleasure

3.2 Customer Satisfaction and Innovative Services

Disclosure Content	Item	Content
Policy and Commitment	Policy	2023 Passenger Net Promoter Score (NPS): 61 (out of 100) 2023 Cargo Customer Satisfaction: 4.44 (out of 5)
	Commitment	
Action Plan	Positive Impact Management	STARLUX focuses on enhancing customer experiences through innovative services, products, and optimized operations. We aim to meet demands for automation and efficiency while improving service standards to win international awards and boost our brand value. We also continuously refine our online platforms to provide more accessible information, enrich passenger experiences, and increase overall satisfaction.
	Negative Impact Management	STARLUX has implemented various customer communication channels to address negative experiences swiftly and effectively, aiming to rebuild trust. We systematically collect and analyze customer feedback to identify issues, make rapid adjustments, mitigate risks, and ensure ongoing improvements in our service quality. This approach allows us to stay responsive to customer needs and maintain high standards of service.
Effectiveness Evaluation	Qualitative	STARLUX holds regular service quality meetings, analyzes feedback, and conducts surveys to understand passenger experiences and needs. We use this data to optimize our services and continuously refine our processes. This approach ensures we maintain consistent, high-quality boutique services while improving accuracy and stability in our operations.
	Quantitative	2023 Passenger Net Promoter Score (NPS): 61 (out of 100) 2023 Cargo Customer Satisfaction: 4.44 (out of 5)
Goal	Short-Term Goal	2024 Passenger NPS: STARLUX, currently expanding rapidly, will focus on stabilizing operations and service quality before setting new goals for future growth and development. 2024 Cargo Customer Satisfaction: ≥ 4.35 (out of 5)
	Medium to Long-Term Goal	STARLUX refines service processes to meet passenger needs, boost satisfaction, and secure international certifications like Skytrax. Cargo: Cargo Customer Satisfaction ≥ 4.45 (out of 5)
Complaint Mechanism	Responsible Units	Service Quality Management Committee, Safety Review Committee
	Contact Information	Passenger: Global Operating Centers - Dedicated Line URL https://www.starlux-airlines.com/zh-TW/support/contact-us/contact-information Cargo: Global Operating Centers - Dedicated Line URL https://www.starluxcargo.com/support/ContactFacility
	Reporting Mechanism	STARLUX collects passenger feedback through multiple channels, records and investigates issues in our management system, responds to passengers about outcomes, and takes appropriate action for service deficiencies. We then analyze feedback internally to develop and implement improvement plans.
Communication Achievement	Positive and Negative Feedback	In 2023, STARLUX initiated its first passenger satisfaction survey to gather insights on recent flight experiences and inform service improvements.
	Improvement and Prevention Measures	STARLUX conducts regular customer satisfaction surveys to understand needs and prioritize improvements. We hold meetings to track service quality, analyze feedback trends, and swiftly address customer concerns. An operation check system verifies actual conditions, integrating inspection results to comprehensively review and enhance service processes.

3.2.1 Five Sensory Experience

STARLUX delivers a premium "Five-Sense" experience, blending physical and digital elements to create a luxurious journey. This unique approach elevates air travel, enhancing brand quality and distinguishing STARLUX in the aviation industry.

Gustatory

STARLUX partners with acclaimed Taiwanese brands, including Gyenhutong, Yu Chocolatier, LONGTAIL, Taïrroir, Sturgeon, NINAO Gelato, Nuofuliou, Mr. Honey, Weightstone, Ma Hei Tea, Bar Home, and St.1 Cafe / Work Room, enhancing its local and premium offerings.

Auditory

Jazz maestro Peter White composes custom boarding and landing music. High-quality headphones in all classes ensure an exceptional auditory experience.

Olfactory

P.SEVEN, a renowned Taiwanese tea-perfume brand, creates unique scents for STARLUX's aircraft. Inspired by "Home in the air," these woody fragrances evoke freshness and tranquility.

Visual

Earth-toned livery and cabins embody "Comfort as Home" philosophy. Dynamic ambient lighting enhances coziness throughout flight phases. Stylish, functional uniforms break from traditional airline conservatism, offering a unique passenger experience.

Tactile

BMW Designworks crafted premium cabin seats, while carefully chosen amenities ensure a fresh, comfortable "home in the sky" experience across all flights.

3.2.2 Customer Relationship Management

STARLUX Airlines Advertising and Promotional Policies

STARLUX's advertising policy ensures accurate, fair, and ethical brand communication. It applies to all staff, vendors, and partners, mandating adherence to company image standards, information accuracy, and promotion of social welfare and sustainability.

To ensure policy implementation, Corporate Communications Div. oversees all marketing campaigns. Executing units must strictly follow promotional and ethical standards. All staff, vendors, and partners must report violations promptly. The policy undergoes annual review for legal compliance and company needs, with adjustments as necessary. This approach builds trust, enhances customer satisfaction, and strengthens brand confidence through honesty and transparency.

Satisfaction Survey

◆ Cargo

STARLUX conducts yearly freight customer satisfaction surveys since 2020, evaluating Sales, Operations, Warehouse, and Website services. The 2023 survey collected 168 responses, yielding a 4.44 satisfaction rating out of 5.

◆ Passenger

From July to September 2023, STARLUX conducted its first passenger satisfaction survey. Out of 22,000 distributed questionnaires, about 5,600 were collected, representing a 26% response rate. The Net Promoter Score (NPS) was calculated at 61.

STARLUX routinely surveys passenger and freight customer satisfaction to gauge opinions and pinpoint key issues. This process helps assess current service priorities and identify areas needing improvement.

Customer Satisfaction Survey	2022	2023
Customer Satisfaction	N/A	61
Freight Customer Satisfaction	4.32	4.44

Note 1: As the passenger customer satisfaction survey was conducted for the first time in 2023, there is no relevant data for passenger customer satisfaction in 2022.

Note 2: The Net Promoter Score (NPS) metric is used to objectively measure customer experience. Respondents are categorized into promoters (scoring 9-10), passives (scoring 7-8), and detractors (scoring 0-6) based on their ratings (on a scale of 0-10). The NPS score is calculated by subtracting the percentage of detractors from the percentage of promoters, resulting in a score between -100 and +100.

Note 3: Freight customer satisfaction is measured using the Likert scale, a five-point rating scale.

Customer Communication and Improvement

STARLUX has established multiple feedback channels, including a dedicated system, customer service hotline, and office contact information. Passenger feedback is carefully evaluated and addressed by specialized staff. Continuous analysis of passenger suggestions helps improve in-flight services and system functionality. The cargo tracking website was updated on December 11 based on customer surveys, offering a more intuitive and efficient experience to enhance overall satisfaction with the airline's cargo services.

Additionally, STARLUX conducts root cause analysis and risk assessment on both passenger and cargo feedback. Improvement plans are developed with responsible units. The company continuously monitors the effectiveness of these plans until case closure, providing comprehensive feedback management for travelers.

Customer Feedback Management Process

1. Passengers provide feedback through various channels (branches/offices, official website, customer service calls, written feedback, etc.).
2. Record, communicate, and investigate feedback within our passenger management system.
3. Respond to passengers regarding the incident process and outcome. If there are service deficiencies, carefully review and take appropriate action.
4. Conduct through analysis internally and develop action plan for follow-up improvement.

3.2.3 Passenger Service

On-Time Performance

To ensure excellent passenger experiences, STARLUX continuously tracks and analyzes punctuality rates, effectively managing flight timeliness. Our internal 2023 on-time performance was 99.08%, reflecting our commitment to punctual and reliable operations. STARLUX will continue to provide safe, efficient, and comfortable flights, while enhancing our industry leadership position..

On-Time Performance

Year	2022	2023
Rate	99.43%	99.08%

Note 1: Flight punctuality is based on aircraft pushback time. Delays are counted when departure exceeds the estimated time by 15 minutes or more..

Note 2: Above data excludes delays due to weather, air traffic control, and other factors beyond airline control.

Customer Health and Safety

In 2023, STARLUX ensured all in-flight items met legal regulations, with suppliers providing necessary certifications. No products violated labeling laws or voluntary norms, and no prohibited items were sold. An incident occurred when a celebrity mistakenly entered the cockpit while seeking to interview executives. The Civil Aviation Administration issued a warning, prompting immediate action. STARLUX acknowledged the error and provided an explanation (please refer to Section 2.5 - Regulatory Compliance). Since then, the company has reinforced its commitment to regulatory compliance and voluntary standards, aiming to protect passengers' rights and maintain high-quality service. This ongoing effort ensures all products and services align with relevant laws and industry best practices, safeguarding passenger well-being and enhancing the overall flight experience.

Compliance Rate with Legal Regulations for Onboard Service Items

Product Categories	Procurement Standards	Compliance Rate	the total number of items	
			2022	2023
Plastic Cutlery	Suppliers must provide qualified inspection certificates, including but not limited to testing for plasticizers, heavy metal leaching, etc.	100%	9	10
Children's Toys	All items must undergo inspection and obtain the Goods Inspection Label issued by the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, and must bear the "ST Safety Toy" label.	100%	1	1

Digital Experience

STARLUX offers advanced digital services to enhance passenger convenience. Travelers can book tickets, check-in, and complete other procedures via the airline's website, mobile app, and other digital platforms. Online browsing of duty-free and co-branded products is also available. These digital tools aim to provide a seamless travel experience from booking to arrival.

Service Offerings	Project Details
Official App	Available for iOS and Android, the STARLUX Airlines app allows passengers to manage their trips after booking. Users can pre-select seats, purchase extra luggage allowance, and choose meals. The app also enables easy check-in and electronic boarding pass retrieval from 48 hours to 1 hour before departure, streamlining the airport experience.
béshopping Duty-Free Pre-order Website	Committed to enhancing the béshopping duty-free pre-order website, STARLUX focus on user experience in design. We create an intuitive interface and optimize the backend system to offer travelers the most user-friendly, convenient, and smooth online shopping experience possible.
COSMILE member digital initiatives	STARLUX offers digital membership cards accessible anytime via their website or app. Members can log in to view their information, redeem miles for award tickets, offset ticket prices, and use miles to discount duty-free items on béshopping, their pre-order platform.
STARLUX Shop	STARLUX launched the "STARLUX Shop" website, allowing fans and aviation enthusiasts to collect various branded merchandise featuring the airline's corporate logos.
Enhanced website features	STARLUX is continuously enhancing its official website and app, introducing new features and services to accommodate both individual and group ticket purchases. The company is actively developing functionalities to offer greater flexibility in using COSMILE member miles and improving integration with co-branded cards.

Automatic Check-in and Luggage Management

STARLUX's Self-Bag Drop (SBD) service has further enhanced the travel experience for passengers. In addition to the Taoyuan International Airport MRT "A1 Taipei Main Station" and Taoyuan International Airport's Terminal 1 and Terminal 2, plans are in place to gradually roll out this service at international stations. As of May 2024, SBD service has been launched at Fukuoka Airport in Japan. Passengers can easily and quickly use the self-service luggage drop kiosks, making the check-in process more convenient.

To secure passengers' luggage, STARLUX not only promotes automation services but also actively develops a lost luggage inquiry platform for passengers to track the status of delayed luggage cases, providing quicker information and solutions. This automation service not only empowers passengers with greater autonomy over their time but also offers more diverse and convenient options, making the overall travel experience more enjoyable.

Airlines Catering and Meal Management

STARLUX places high importance on the safety management of inflight catering, ensuring the quality and safety of food. The company has established a comprehensive food safety management system to ensure that the onboard catering products meet the highest standards and comply with relevant regulations and standards.

Airlines Catering Food Safety Management

Project	Project Description
Education and Training	Newly hired employees undergo one hour hygiene audit training course to familiarize them with food safety regulations and practices.
Standard Operating Procedures	Select airline catering providers that meet hygiene standards specified in the WFSG, following SOP-CSD-20-005.
Airlines Catering Hygiene Assessment	Conduct hygiene audits of catering suppliers to ensure compliance with food safety standards during selection, food tasting, and station opening operations of airline catering.

Airlines Catering Loss Management

STARLUX manages catering losses by obtaining the final passenger count for each flight monthly via the Airport Operations Integration Record System. This data, combined with meal orders from various stations, helps estimate monthly meal loss for each flight, enabling effective meal supply management and waste reduction.

To ensure accurate meal reservations, personnel at external stations strictly follow local airline catering education and training programs during the opening of new catering facilities. These programs ensure familiarity with the CM reservation system and enable effective handling of various flight situations through flexible meal additions and reductions, achieving optimal meal supply while avoiding unnecessary food waste.

For meal quantity reconciliation, each station completes an online form called the Meal and Non-meal Record. This form serves as a reference for actual passenger counts and allows for comparison with actual data. By analyzing this information, on-paper meal losses for each flight per month can be determined, leading to improved efficiency and reduced losses.

Global station meal loss rates for 2022-2023 are shown below.

Year	2022	2023
Global Station Meal Loss Rates	2.80%	1.31%

Note: The calculation method is (Meal Orders - Passenger Count) / Meal Orders, excluding special charter flights or abnormal flights.

Innovation and Sustainability: Passenger Experience

STARLUX continuously innovates to provide more eco-friendly and value-enhanced services. Through our online meal service, passengers can pre-order preferred meals, saving time and reducing onboard food waste. We select high-quality, seasonal, and traceable ingredients for delicious and nutritious meals. To minimize environmental impact, we implement green printing and digital menus. Our printing paper meets eco-standards, and digital technology presents menu content, reducing paper use while offering intuitive and diverse menu choices. STARLUX provides eco-friendly onboard amenities to reduce single-use items. We've introduced reusable items like cups and utensils, decreasing waste and enhancing passengers' premium experience.

Online Meal Service	Online Pre-Selection Meal Service	Since its 2020 launch, STARLUX has led local carriers by offering online meal pre-selection for all classes, including economy, enabling passengers to pre-order preferred meals.
	Main Course Photo	Our meal pre-selection service features main course photos, helping passengers visualize onboard meals, encouraging pre-orders, and reducing food waste during flights.
	Electronic Menu	Electronic drink and food menus are available on all in-flight entertainment systems. Premium economy and economy class menus are fully digital, reducing printed materials.

◆ Online Meal Service

Ingredient Selection	Seasonal Ingredients	When designing meals, we prioritize local and seasonal ingredients, offering passengers fresher food while reducing carbon footprint and food miles.
	Natural Ingredients	On long-haul premium economy and above, and short-haul first class, we offer vegetarian main courses made with natural ingredients, using minimal dairy and eggs for healthy, sustainable in-flight dining.
	Fresh Ingredients	As a principle, on return flights to Taiwan, meals are provided by external kitchen stations after undergoing hygiene audits and selection processes, reducing the time meals spend in storage after preparation and ensuring fresher meal quality for passengers.
Green Printing	Soy-based Ink Printing	Our printing facilities are Forest Stewardship Council (FSC) certified and use environmentally friendly, non-toxic soy-based ink printing, which is more environmentally friendly compared to traditional ink. Béshopping inflight shopping magazines issued since 2020 are all printed using soy-based ink.
Eco-Friendly	All Classes	• Inflight paper cups are manufactured without a lining film, and cup lids are made of decomposable paper material. • Straws and bubble tea straws are made of bamboo fiber.
	First Class	• Items in overnight kits, such as combs, toothbrushes, socks, and eye masks, are made of bamboo or wheat straw and environmentally friendly recycled yarn.
	Business Class	• New business class blankets are made from environmentally friendly recycled yarn. • Items in overnight kits, such as combs, toothbrushes, socks, are made of bamboo or corn husk and environmentally friendly recycled yarn.
	Premium Economy Class	• Premium economy class utensils use reusable E Lite lightweight ceramics and lightweight glass cups. • Items in overnight kits, such as combs, toothbrushes, socks, and eye masks, are made of corn husk and environmentally friendly recycled yarn. • Earphone packaging bags are made of biodegradable and recyclable corn materials.
	Economy Class	• Developed dedicated coffee cups to reduce the use of paper cups and reduce waste. • The main body of economy class overnight kits is made of environmentally friendly recycled yarn, and items such as eye masks, socks, toothbrushes are made of corn husk and recycled PET bottle yarn. • Earphone packaging bags are made of biodegradable and recyclable corn materials.

These sustainable innovations contribute to environmental protection while enhancing passenger experience, offering both eco-friendliness and quality during STARLUX flights.

◆ Ingredient Selection

◆ Bamboo Fiber Straw

◆ Eco-Friendly Equipment

3.2.4 Cargo Services

STARLUX is committed to green transportation, meeting Taiwan's import and export needs more sustainably. By efficiently using passenger aircraft belly space for cargo, the airline reduces greenhouse gas emissions and operational costs. Future plans include introducing A350F freighters. This strategy aims to provide efficient cargo services while fulfilling environmental commitments and contributing to sustainable development.

Digitalization Services

STARLUX will upgrade its cargo website in 2024, improving query functions for cargo transportation dynamics. This company also promotes electronic contract signing to streamline transactions for cargo customers.

STARLUX has implemented electronic air waybills (eAWB), streamlining communication with handling agents. This digital approach reduces operational costs, minimizes errors, and prevents delays from paper loss. By adopting these innovations, STARLUX offers eco-friendly, efficient cargo services with real-time logistics solutions for customers.

Cold Chain Service Enhancement

STARLUX prioritizes cold chain excellence, partnering with Envirotainer for QEP certification. Envirotainer's advanced T-type and E-type technologies ensure stable temperatures during transport. During COVID-19, STARLUX obtained approval for dry ice transportation of medical supplies, demonstrating expertise in cold chain services and supporting national health efforts. This commitment reflects STARLUX's dedication to professional service and societal well-being.

Sustainable Practices: Cargo Experience

STARLUX prioritizes sustainability through recycling, using lightweight products, and reducing plastic. These efforts aim to offer eco-friendly cargo services and contribute to a sustainable future..

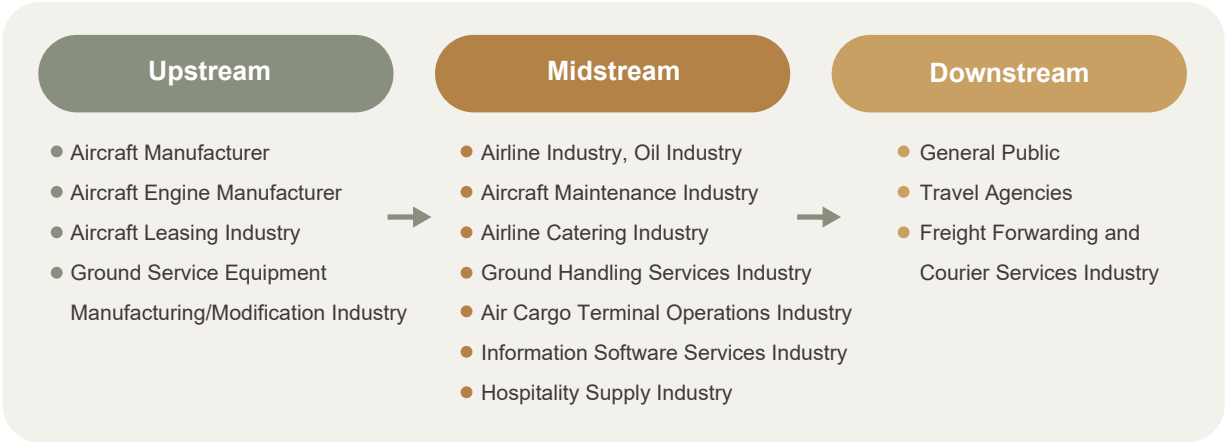| Project	Project Description	Project Benefit
Recycling and Reuse	STARLUX recycles reusable cargo items like straps and accessories. Expired straps are repurposed into products sold on the STARLUX Shop website.	STARLUX actively promotes recycling and reuse of products to reduce waste, extend item lifecycles, and minimize environmental impact.
Procurement of Lightweight Materials	STARLUX prioritizes lightweight Unit Load Devices (ULDs), selecting efficient cargo pallets and containers to reduce overall weight.	When procuring products, STARLUX prioritizes lightweight options to reduce fuel consumption, lower carbon emissions, and improve transport efficiency, making aviation more environmentally friendly.
Reduction of Plastic Usage	Improve the recycling rate of packaging materials and purchase recyclable, reusable wooden sleepers and pallets.	Reduce plastic use, especially single-use plastics, to lower plastic resource demand and minimize environmental waste burden.

3.3 Sustainable Supply Chain Management

3.3.1 STARLUX Airlines Value Chain

STARLUX is an aviation transport service provider with operations across Taiwan, Northeast Asia, Southeast Asia, and North America. Its main services include passenger and cargo transportation, complemented by diverse offerings such as in-flight sales and retail.

The aviation transport industry primarily offers passenger and cargo services. Its operations rely on the synergy of upstream, midstream, and downstream industries to create a comprehensive service process that meets customer needs. STARLUX's relationship with these industry sectors can be illustrated and explained as follows.

Our supply chain comprises aircraft and engine makers, lessors, and ground equipment suppliers. We acquire aircraft via purchase and lease agreements to form our main fleet while reducing emissions. We use advanced ground equipment, including electric vehicles and solar-powered bridges, to promote sustainable ramp operations.

STARLUX serves individuals, travel agencies, freight forwarders, and couriers downstream. We enhance online booking experiences and partner with travel agencies for ticket sales and related services. We also collaborate with courier services and expand airline partnerships to grow our business reach.

Upstream	Midstream	Downstream
● Aircraft Manufacturer ● Aircraft Engine Manufacturer ● Aircraft Leasing Industry ● Ground Service Equipment Manufacturing/Modification Industry	● Airline Industry, Oil Industry ● Aircraft Maintenance Industry ● Airline Catering Industry ● Ground Handling Services Industry ● Air Cargo Terminal Operations Industry ● Information Software Services Industry ● Hospitality Supply Industry	● General Public ● Travel Agencies ● Freight Forwarding and Courier Services Industry

3.3.2 Supply Chain Management

STARLUX implements the SCOR (Supply Chain Operations Reference) model for supply chain operations, covering planning, procurement, manufacturing, logistics, and reverse logistics. This framework enables STARLUX to assess supplier relationships across the value chain and construct a sustainable supply chain tailored to the airline's specific requirements and long-term objectives.
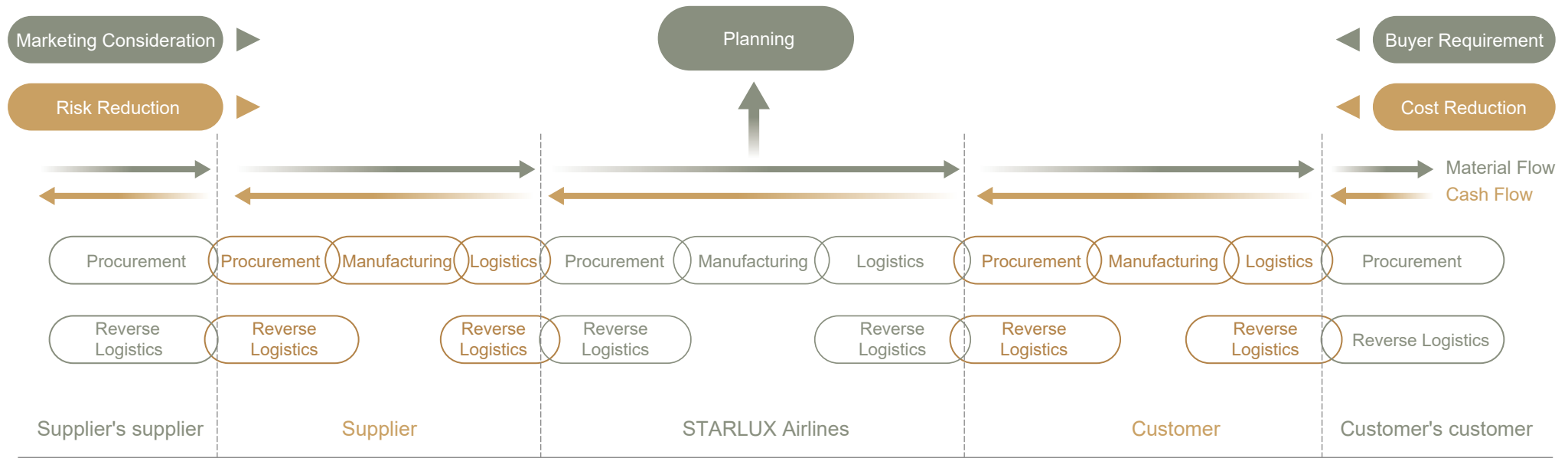
Planning	Procurement	Manufacturing	Logistics	Reverse Logistics
Plan core business based on industry type and core capabilities. Choose environmentally sustainable suppliers.	Consider the necessity of products before procurement.	Manage wastewater, greenhouse gas, metal pollution, etc., generated during the manufacturing process.	Plan the shortest shipping route.	Optimize packaging and containers for recycling and reuse.
	Select environmentally sustainable suppliers.	Purchase green energy, carbon credits, and offset harmful emissions.	Reduce or lighten product packaging to increase the volume of single shipments.	Handle expired materials by recycling them into new products for sale, such as STARLUX Airlines Cargo strap tote bags.
			Use return trips to transport returned goods or facilitate store-to-store logistics.	

Procurement Categories of STARLUX Airlines

STARLUX's "Procurement Management Principles" align with the national "Climate Change Response Act," focusing on environmentally friendly practices, efficient resource utilization, and value-sharing across the supply chain to reduce greenhouse gas emissions. The principles incorporate international environmental standards and prioritize safety, quality, price, and sustainability. Suppliers are expected to ensure product/service safety, maintain high quality, offer competitive pricing, and actively engage in environmental and sustainability initiatives. All procurement categories follow these principles to meet business needs with appropriate quality, quantity, and pricing while promoting sustainability.

Local Procurement

STARLUX primarily operates in Taiwan, actively collaborating with local suppliers to create job opportunities. In 2022 and 2023, the company's procurement from local suppliers at key operational locations accounted for approximately 38.22% and 40.94% of total procurement, respectively.

(Unit: TWD Thousand)

Year	2022			2023		
Category	Total Net Purchases from Local Suppliers	Total Net Purchases	Percentage of Net Purchases from Local Suppliers	Total Net Purchases from Local Suppliers	Total Net Purchases	Percentage of Net Purchases from Local Suppliers
Aircraft Materials and Spare Parts	444.09	2,951,838.46	0.02%	—	4,124,874.10	—%
Fuel	3,235,312.11	5,144,681.76	62.89%	2,887,191.55	4,093,310.88	70.53%
Ground Handling Services	12,498.18	154,484.98	8.09%	344,931.45	344,931.45	100.00%
In-flight Service Items and Catering	296,575.80	344,490.92	86.09%	781,173.70	781,173.70	100.00%
General Affairs	69,853.46	862,841.18	8.10%	—	459,338.00	—%
Total	3,614,683.64	9,458,337.30	38.22%	4,013,296.70	9,803,628.13	40.94%

Note 1: Local suppliers refer to those established in Taiwan and registered with the business registration office, with a unified business registration number, conducting transactions in New Taiwan Dollars.

Note 2: Significant operational bases refer to suppliers whose purchases accounted for more than 10% of the total purchases in any one of the past two fiscal years.

Note 3: Please explain why the percentage of purchases from local suppliers increased significantly to 100% for ground handling services and onboard service supplies and catering in 2023.

Supplier Conference

STARLUX implemented an ESG awareness program for suppliers and partners, establishing open dialogue through two-way meetings. In January 2023, the company held a supplier conference attended by 24 department heads and staff representatives.

The supplier conference covered key topics: procurement policy, employee meal ingredient selection, and green purchasing with carbon credits. It emphasized sustainability's role in procurement decisions and STARLUX's commitment to a sustainable supply chain. Discussions on meal ingredients highlighted the environmental and social impact of food sourcing. The conference also explored future actions for reducing carbon footprint and promoting environmental protection.

The conference fostered in-depth dialogue, promoting joint actions towards sustainability goals. STARLUX aims to build more sustainable and robust business partnerships through ongoing collaboration and advocacy.
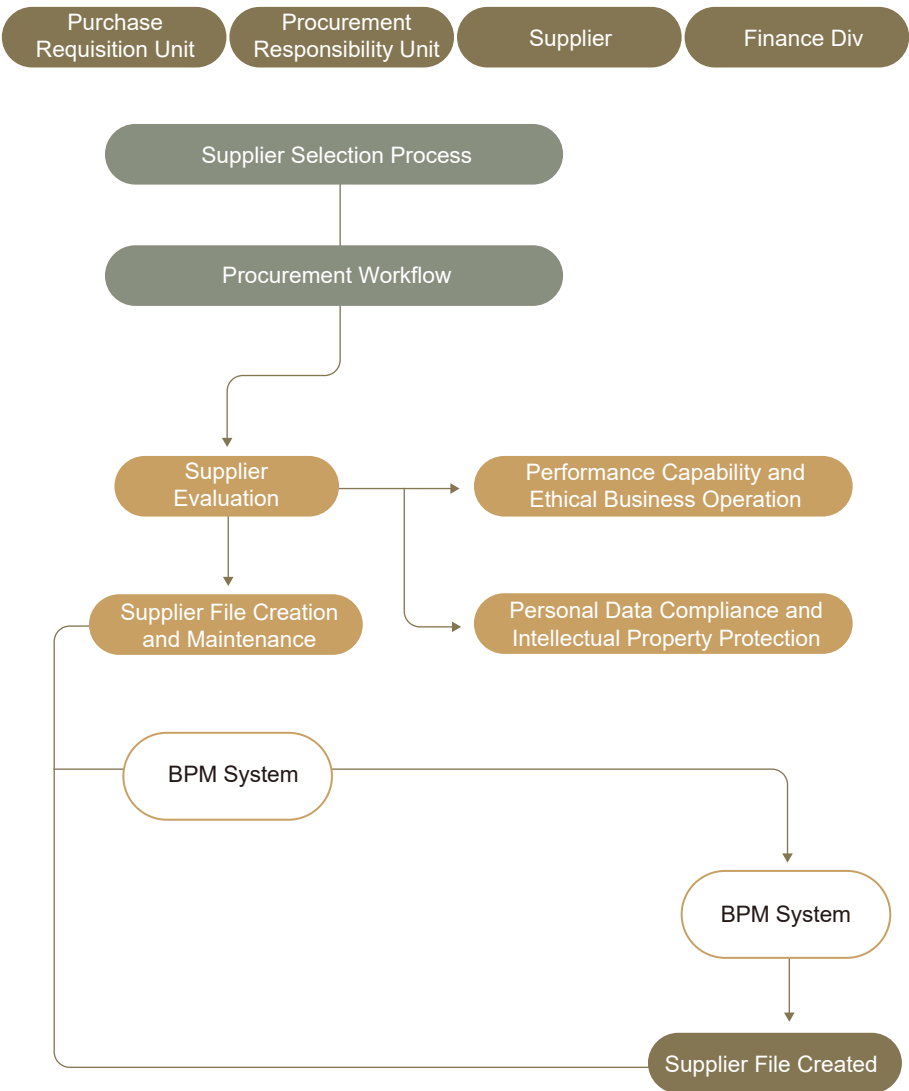
3.3.3 Supplier Selection

STARLUX begins procurement with rigorous supplier selection. The company evaluates suppliers' production capacity, quality control, delivery capability, price competitiveness, and commitment to safety and sustainability. This ensures partnerships with high-quality, reliable suppliers meeting sustainability standards.

	Supplier Selection Process	
1	Supplier Development Timing	Requesting departments collaborate with procurement to assess if new suppliers outperform existing ones or can serve as secondary suppliers, potentially leading to development and integration.
2	Supplier Selection Principles	Suppliers' products or services must meet safety, quality, price, and sustainability requirements set by requesting and procurement units. They must provide legally required documentation, with high attention to maintaining aircraft operational safety and onboard service quality.
		Supplier selection involves on-site visits, verification of professional technical qualifications and capabilities, understanding of technical, managerial, and performance capabilities, and annual supplier evaluation or relevant assessments to ensure corporate safety and serve as a reference for future procurement operations.
3	Supplier Registration and Maintenance	Use electronic approval system (BPM) and relevant paper documents for supplier registration, modification, and deactivation. Procurement staff must perform duties honestly, verify data accuracy, and avoid falsification. Procurement unit should manage the validity of supplier certifications and documents.
4	Supplier Management and Integrity Operation	Understand mutual expectations and quality standards with suppliers to maintain brand value. Supplier management procedures vary based on the type of products and services provided, according to each department's professional requirements.
		During contract execution and business interactions with suppliers, it is prohibited to directly or indirectly offer, promise, request, or accept any improper benefits, or engage in dishonest, illegal, or unethical behavior for personal gain. Violations may result in immediate contract termination and legal action.
5	Supplier Data and Intellectual Property Protection	Suppliers dealing with intellectual property must comply with STARLUX's non-infringement guarantees, confidentiality requirements, and intellectual property ownership agreements. They must ensure the confidentiality, integrity, and availability of personal data provided by the company or individuals, ensuring data collection is legitimate, reasonable, and protected from internal and external threats.

Supplier Management Process Flowchart: Supplier Selection

Purchase Requisition Unit

Procurement Responsibility Unit

Supplier

Finance Div

Supplier Selection Process

Procurement Workflow

Supplier Evaluation

Performance Capability and Ethical Business Operation

Supplier File Creation and Maintenance

Personal Data Compliance and Intellectual Property Protection

BPM System

BPM System

Supplier File Created

Note: The Electronic Signature System (Business Process Management, BPM) is our company's electronic approval operation system.

3.3.4 Supplier Evaluation

STARLUX employs a comprehensive supplier evaluation system, assessing quality, delivery, pricing, and sustainability practices. This regular monitoring enhances operational efficiency and supports sustainability objectives.

Since 2022, STARLUX initiated annual supplier evaluations, assessing 213 suppliers in 2022 and 393 in 2023. Each department sets quality standards, conducting evaluations at least once yearly. In both years, one supplier failed evaluation due to subcontractor issues (2022) and quality problems (2023), resulting in supplier changes.

In 2023, STARLUX enhanced supplier evaluation by implementing clear assessment rules in departmental manuals. This improved risk identification and management. Internal promotion raised staff awareness of supplier management, ensuring smooth supply chain operations and maintaining high-quality collaborations with suppliers.

Supplier Evaluation Process

1 Supplier evaluations should be conducted at least once a year. Each procurement unit is responsible for establishing "Supplier Evaluation Criteria," which must clearly include requirements for suppliers in terms of safety, quality, price, and sustainability, to create comprehensive and standardized scoring items. When performing routine evaluations, it is also necessary to review the company's internal systems and transaction status with suppliers to ensure the comprehensiveness and accuracy of the assessment.

2 Supplier evaluation criteria should be divided into at least four levels, such as: Excellent, Qualified, Review and Unqualified. Each level should have corresponding management principles and handling guidelines. To ensure objectivity in evaluations, the minimum threshold for an unqualified rating should be set at 60% of the total score. The supplier evaluation thresholds are as follows:

Evaluation Result	Score	Action
Excellent	4.5~5	Priority consideration as a primary supplier.
Qualified	3.9~4.4	Normal transactions, can be considered as a secondary supplier.
Review	3~3.8	Strengthen monitoring; if rated "Unqualified" for two consecutive evaluations, consider for "Suspend".
Unqualified	2.9 and below	"Suspend" supplier. Replace immediately. *Apply for suspension in the BPM system supplier master file from the second internal communication

3 When a supplier experiences delivery or performance issues, procurement staff immediately conduct an evaluation or consult with relevant departments such as purchasing, audit, legal, and finance. If deemed necessary, STARLUX may terminate the contract or choose not to renew it. This decision will serve as a reference for determining future collaborations with the supplier.

4 For supply issues involving monopolistic or sole suppliers, or cases with other business considerations, the requesting unit and procurement team should invite the supplier for an interview to discuss improvements, cooperation, and coordination matters

5 Procurement units must report supplier evaluation results and actions taken at the Management System Review Meeting.

Supplier Management Process Flowchart: Supplier Evaluation
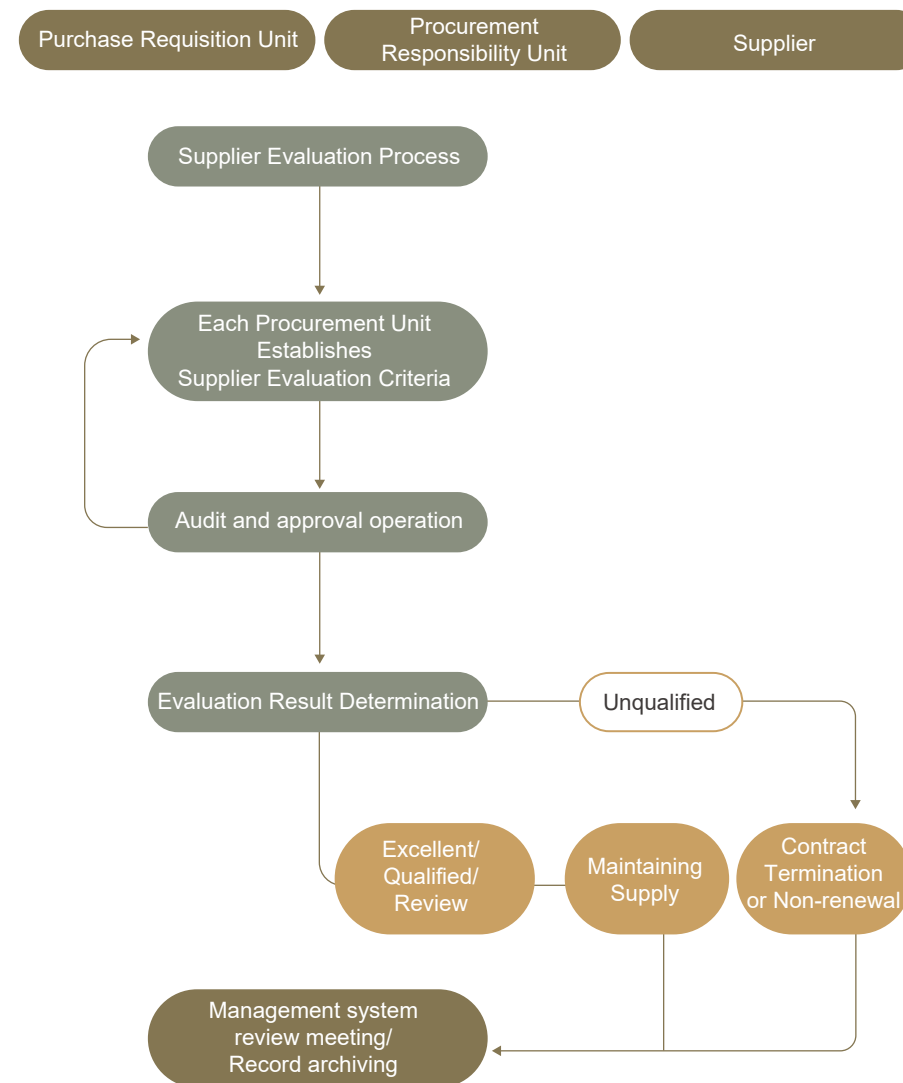
4 Flight Safety and Security

4.1 Flight Safety Management

4.2 Hazard Identification and Risk Management

4.3 Cabin Crew Management

4.4 Flight Operation Monitoring and Management

| Disclosure Content	Item	Content
Policy and Commitment	Policy	STARLUX Airlines establishes the "STARLUX Airlines Safety Policy" applicable to all employees to ensure a core commitment to flight safety.
	Commitment	Safety Policy will be reviewed annually to ensure it remains suitable. While serving passengers, STARLUX Airlines continually seeks new ways to promote a positive safety culture.
Action Plan	Positive Impact Management	STARLUX Airlines ensures that safety policy is implemented effectively through systematic and quantitative analysis, and the company establishes an organizational safety culture where every employee strives for the highest standards of safety. Continuously enhancing flight safety is STARLUX Airlines' commitment to its customers, contributing to the company's sustainable aviation brand image and increasing customer brand loyalty.
	Negative Impact Management	In the event of safety incidents resulting in aircraft damage or personnel injuries, adverse impacts on the company may occur, and civil aviation authorities may impose penalties. To effectively respond to negative impacts, the company needs to establish a sound crisis management mechanism to promptly and effectively address any safety incidents.
Effectiveness Evaluation	Qualitative	STARLUX Airlines establishes annual Safety Performance Indicators (SPIs) and Safety Performance Targets (SPTs) based on the company's safety objectives, current operations, and operating data, and by referencing regulations from civil aviation authorities and the International Civil Aviation Organization (ICAO). The SMS Action Group (SAG) regularly monitoring and tracking the effectiveness of these safety measures. During the first quarter Safety Review Committee (SRC) meeting, the SAG will review the previous year's SPI/SPT and propose revisions for the current year. If the annual SPT are not met, the SAG are required to submit improvement measures for SRC review.
	Quantitative	STARLUX Airlines tracks and evaluates the actual effectiveness of flight safety performance through annual Safety Performance Indicators (SPI) and Safety Performance Targets (SPT). There is no significant incident or accidents occurred in the past three years. STARLUX Airlines is committed to conducting comprehensive risk assessments for all operations. From 2022 to 2023, for the introduction of new A330neo and A350-900 aircraft types and new operating routes etc. The potential risks were identified through the implementation of Change Management projects, ensuring the smoothness of operations.
Goal	Short-Term Goal	Incidents ≤ 4 (per year)
	Medium to Long-Term Goal	Zero accidents are STARLUX Airlines' ongoing safety performance goal, demonstrating our unwavering commitment to excellence in operations.
Communication Achievement	Responsible Units	Safety Review Committee
	Contact Information	iQSMS - Integrated Quality and Safety Management System Safety Hotline • Reporting hotline during regular office hours: +886-3-260-1800 #6901 or #6902 • Reporting hotline during holiday and non-office hours: +886-3-260-1800 #5580 Safety e-Mail Box: cfd@starlux-airlines.com
	Reporting Mechanism	• All employees may report potential safety issues discovered in their daily work through the safety reporting system (iQSMS), safety hotline, or safety mailbox. • Each Dept./Div. should reviews improvement and preventive measures during SMS Action Group meetings. • Quarterly, the Safety Review Committee (SRC) reviews safety management execution and reports company's overall risk status to the Board of Directors

4.1 Flight Safety Management

4.1.1 Safety Management Framework

The Safety Review Committee (SRC) is STARLUX's top-level organization for flight safety decisions and supervision. It oversees the Safety Management System (SMS), ensuring overall flight safety, promoting SMS, addressing major safety and security issues, and making decisions during emergencies. The SRC is responsible for implementing and maintaining the SMS throughout the company.

The SRC includes the CEO as Chairperson, with the Chairman attending for management insights. Committee members comprise operational division heads, ensuring comprehensive feedback when formulating safety policies. High-ranking officials from relevant units, like HR and Corporate Planning, are invited as needed. This structure enables effective decision-making and successful implementation of flight safety initiatives across STARLUX.

Under the Safety Review Committee (SRC), we've established eight SMS Safety Action Groups (SAGs) for effective safety management. These groups cover various operational areas, including Flight Operations, Maintenance, and Security Management. Each SAG is responsible for executing safety tasks in their domain, such as gathering safety data, managing risks, implementing preventive actions, and promoting the safety management system. Together, these SAGs work to maintain the highest safety standards across all operational aspects of STARLUX.
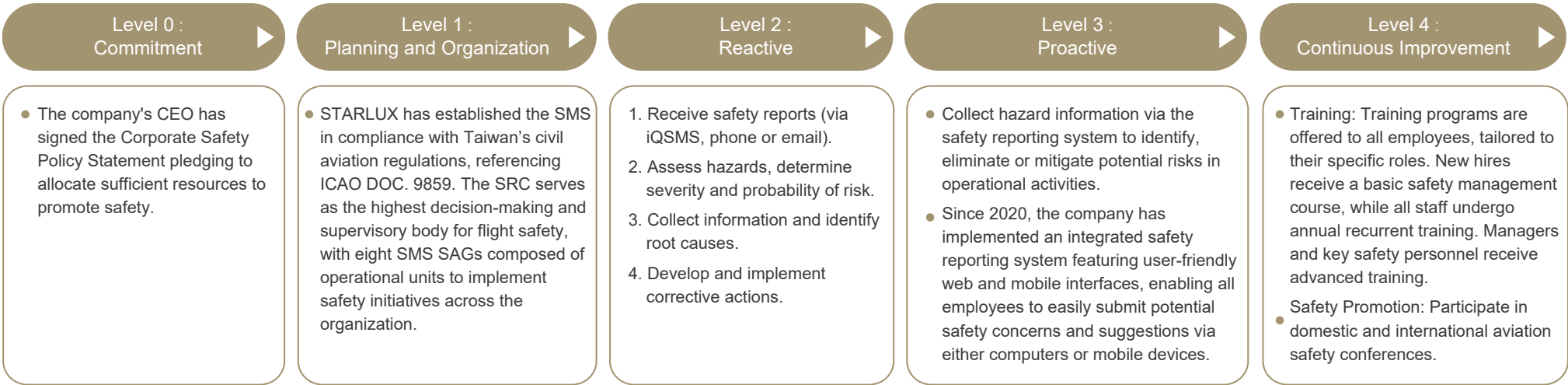
Safety Management Meeting Structure Diagram
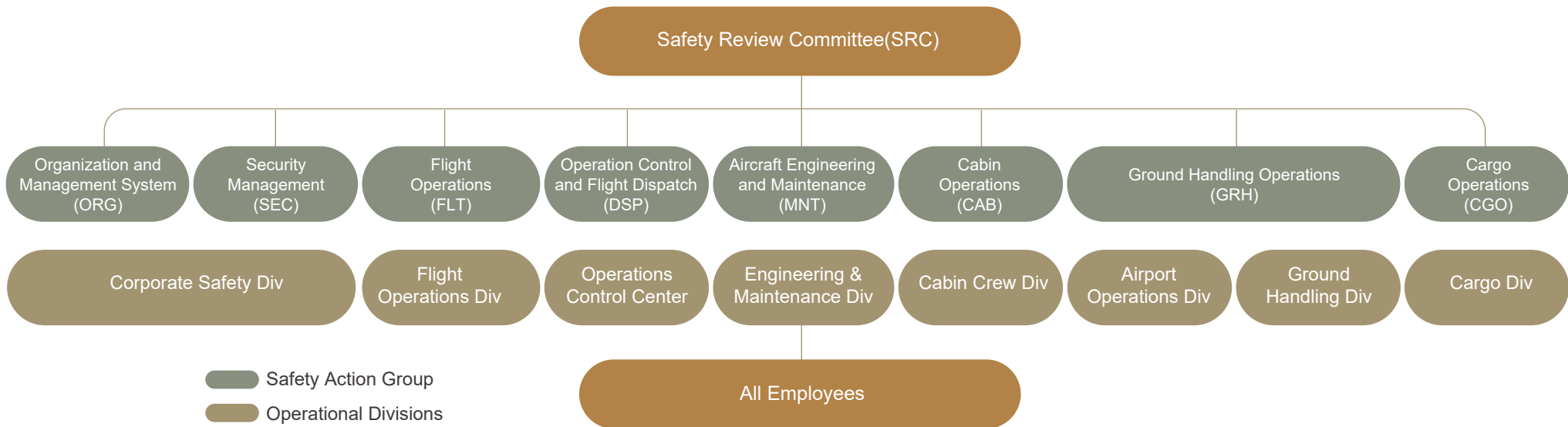
4.1.2 Safety Management System

STARLUX has established the Safety Management System (SMS) in compliance with civil aviation regulations of Taiwan and with reference to the International Civil Aviation Organization (ICAO) DOC. 9859 (Safety Management Manual, SMM). This system covers several key areas, including defining clear safety policies and objectives, ensuring adequate resources to support safety activities, implementing continuous hazard identification and risk management, regularly monitoring safety performance, providing effective communication channels throughout the organization, and conducting safety training involving all personnel. Through these integrated measures, the company demonstrates STARLUX's commitment on managing flight safety in a comprehensive and effective way.

STARLUX successfully completed the first IATA Operational Safety Audit (IOSA) in February 2023. The audit was conducted by IATA-appointed Aviation Quality Services GmbH (AQS). In November 2023, STARLUX obtained the IOSA certificate and became an official IATA member. The company will adhere to IATA regulation and undergo a re-certification audits every two years to continuously meet the safety standards set out by the IATA.

Safety Management System

Safety Policy and Objectives
- Management commitment
- Safety accountability and responsibilities
- Appointment of key safety personnel
- Coordination of emergency response planning
  SMS documentation

Safety Risk Management
- Hazard identification
- Safety risk assessment and mitigation

SMS

Safety Assurance
- Safety performance monitoring and measurement
- The management of change
- Continuous improvement of the SMS

Safety Promotion
- Training and education
- Safety communication

Safety Management System Implementation Process

STARLUX has implemented the Safety Management System (SMS) since 2020. This system covers several key processes, including commitment, planning and organization, reactive and proactive processes, and continuous improvement. These components integrate together to ensure comprehensive safety management at STARLUX.

Level 0 : Commitment	Level 1 : Planning and Organization	Level 2 : Reactive	Level 3 : Proactive	Level 4 : Continuous Improvement
• The company's CEO has signed the Corporate Safety Policy Statement pledging to allocate sufficient resources to promote safety.	• STARLUX has established the SMS in compliance with Taiwan's civil aviation regulations, referencing ICAO DOC. 9859. The SRC serves as the highest decision-making and supervisory body for flight safety, with eight SMS SAGs composed of operational units to implement safety initiatives across the organization.	1. Receive safety reports (via iQSMS, phone or email). 2. Assess hazards, determine severity and probability of risk. 3. Collect information and identify root causes. 4. Develop and implement corrective actions.	• Collect hazard information via the safety reporting system to identify, eliminate or mitigate potential risks in operational activities. • Since 2020, the company has implemented an integrated safety reporting system featuring user-friendly web and mobile interfaces, enabling all employees to easily submit potential safety concerns and suggestions via either computers or mobile devices.	• Training: Training programs are offered to all employees, tailored to their specific roles. New hires receive a basic safety management course, while all staff undergo annual recurrent training. Managers and key safety personnel receive advanced training. • Safety Promotion: Participate in domestic and international aviation safety conferences.

4.2 Hazard Identification and Risk Management

4.2.1 Aviation Safety Indicators

STARLUX develops annual Safety Performance Indicators (SPI) and Safety Performance Targets (SPT) based on our safety objectives, operational status, civil aviation authorities, and the International Civil Aviation Organization (ICAO) Doc 10004 2023-2025 Global Aviation Safety Plan (GASP), which identifies the five high-risk categories of occurrence (HRCs): Controlled Flight Into Terrain (CFIT), Loss of Control In-Flight (LOC-I), Mid-Air Collision (MAC), Runway Excursion, and Runway Incursion.

Indicator Item (SPI, SPT, etc.)	Number of Accidents (Occurrences)
Fatal and Hull Loss Accidents	0
Non-Fatal and Hull Loss Accidents / Serious Incidents	0
Control Flight into Terrain (CFIT)	0
Loss of Control in Flight (LOC-I)	0
Mid-Air Collisions (MAC)	0
Runway Excursions (RE)	0
Runway Incursions (RI)	0

The effectiveness of the implementation is regularly tracked by the SMS Safety Implementation Team, and the previous year's SPI/SPT performance and proposed revisions for the current year are reviewed by the Safety Review Committee (SRC). If the annual target value (SPT) is not met, the SMS Safety Implementation Team is required to submit improvement measures. STARLUX tracks and assesses the actual effectiveness of aviation safety performance through annual Safety Performance Indicators (SPI) and Safety Performance Targets (SPT). From the commencement of operations in 2020 until 2023, STARLUX has maintained the company's commitment to safety with no significant incidents or accident occurred.

Year	2022	2023
Number of Major Aviation Safety Incidents	0	0

4.2.2 Aviation Safety Training

Embedded in Flight Safety

STARLUX has developed Safety Management System (SMS) training, including tailored information relevant to each employees' role. This comprehensive approach aims to enhance the overall safety culture and elevate the level of safety awareness across the organization. The primary objective of the training is to ensure that all employees receive sufficient aviation safety knowledge. This enables them to grasp fundamental safety concepts and understand the importance of identifying and reporting hazards. Furthermore, the training for management-level personnel provides advanced knowledge of safety management principle and practices, enabling them to effectively foster and sustain a robust safety culture, and address potential safety challenges.

Since 2018, STARLUX has been implementing a safety training program for all employees: An entry level SMS course for all new hires, a yearly recurrent SMS course for all employees, and an advanced SMS course for management-level staff and SMS core personnels. The entry level course covers the SMS framework, STARLUX's safety policy and objectives, safety responsibilities, hazard identification and risk management, and human factors. The advanced course covers topics such as the relationship between the State Safety Program (SSP) and STARLUX's SMS, change management, resource allocation, safety decision-making, and additional advanced topics.

Promotion of Flight Safety

STARLUX actively participates in various domestic and international safety conferences to learn from industry best practices. Since 2022, the company has attended several notable international events hosted by prominent aviation organizations, including the Civil Aviation Administration (CAA), the International Air Transport Association (IATA), Airbus, and the Flight Safety Foundation (FSF). These conferences provide opportunities for in-depth information exchanges and learning, contributing to the development of a safe and sustainable aviation industry. The conferences attended between 2022 and 2023 are as follows:

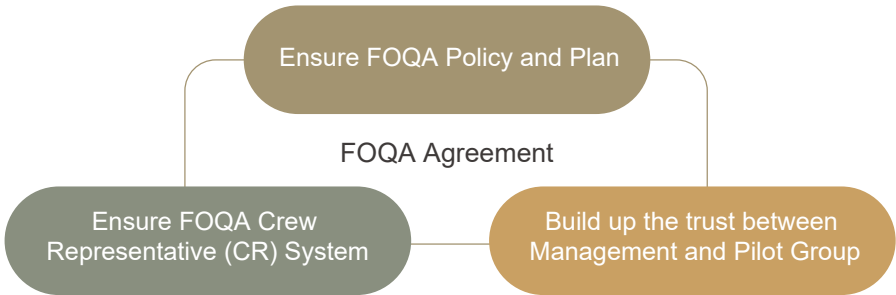| Time	Organizer	Conference Title
Aug 2022	Civil Aviation Administration (CAA)	2022 Aviation SMS Summit
Oct 2022	International Air Transport Association (IATA)	Global Aviation Data Management (GADM) User Forum
Dec 2022	Civil Aviation Administration (CAA)	Flight Operations and Safety Seminar
Mar 2023	Airbus	27th Flight Safety Conference
Mar 2023	Flight Safety Foundation (FSF)	Asia Pacific Summit for Aviation Safety
May 2023	International Air Transport Association (IATA)	Risk-Based IOSA Workshops
Aug 2023	International Air Transport Association (IATA)	Aviation Day One ID Seminar
Sep 2023	International Air Transport Association (IATA)	World Safety and Operations Conference (WSOC)

4.2.3 Accident and Safety Management

Flight Operations Risk Analysis

STARLUX has established Flight Operation Quality Assurance procedures to identify potential risks in daily flight operations using a flight data analysis system. This system conducts root cause analysis and trend statistics, providing monthly and quarterly reports to the fleet for operational improvements and monitoring, or tracking the effectiveness of flight crew operations. Besides regular FOQA statistical reports, each fleet receives detailed information about specific FOQA incidents. Using the FOQA system, fleet management pilots can analyze flight data to investigate safety incidents and identify patterns. This helps them identify and reduce potential risk, as well as lowering the risk of serious accidents and keeping operation safe.

To implement the three major policies of flight quality assurance—Safety Policy, Non-punitive Policy, and Data Protection Policy-STARLUX signed a formal FOQA Agreement with all flight crew members in March 2022, ensuring that flight data is only used for enhancing flight safety and fostering a positive safety culture.

FOQA Agreement

- Ensure FOQA Policy and Plan
- Ensure FOQA Crew Representative (CR) System
- Build up the trust between Management and Pilot Group

Furthermore, in 2022, STARLUX joined the IATA Global Aviation Data Management (GADM) program, providing data for event analysis to assist IATA in professional statistical analysis. The GADM program is a comprehensive aviation safety data database covering various analyses, including accident analysis, incident analysis, ground damage event analysis, maintenance, and audit report analysis. STARLUX utilizes the big data statistics of GADM to identify potential risks at various stations and global flight operation risk trends, taking proactive measures to enhance flight safety. In 2023, we will transition GADM into the Incident Data eXchange (IDX) and Flight Data eXchange (FDX) programs, continuously participating and contributing relevant data for IATA's use and sharing, fulfilling the responsibilities and obligations.

Risk Assessment and Control

STARLUX is committed to ensuring safety and reliable operation with Safety Risk Management as an essential element of the change management process. The company continuously conduct comprehensive risk assessments through the implementation of change management projects, responding to shifts in various internal and external factors. These factors encompass organizational structure, operational environment, regulations, procedures and equipment,. Between 2022 and 2023, STARLUX completed risk assessments for several new projects and implemented corresponding risk mitigation and control measures. These projects include:

◆ Fleet expansion: As market demand increases, STARLUX expanded our fleet by introducing new aircraft types such as the A330neo and A350-900.

◆ Route expansion: Adding new routes to our network, including connections from Taipei to Sapporo, Taipei to Okinawa, Taipei to Fukuoka, Taipei to Cebu, Taipei to Sendai, Taipei to Los Angeles, Taipei to Clark, Taipei to Kumamoto, Taipei to San Francisco, and Taipei to Nagoya, expending our services to 10 new airports.

◆ Organizational development: In 2023, established the Operations Control Center (OCC) to coordinate and monitor all flights, ensuring the safe and efficient management of our flight operation.

Integrated Quality and Safety Management System (iQSMS)

To uphold STARLUX's motto, "Safety is our attitude", The company has established the Integrated Quality and Safety Management System (iQSMS). This system is an essential element of the company's proactive hazard identification activities. Through the company's safety reporting system, STARLUX collects hazard information to identify, mitigate risks that could possibly lead to adverse consequences in the company's operation. STARLUX encourages all employees to use this system to share any safety-related issues, including workplace hazards, occurrences, instances of human error, or regulatory violations. STARLUX will not take disciplinary action to any safety issues through the company's safety reporting system. Since 2020, the company has implemented this integrated reporting system featuring user-friendly web and mobile app interfaces, enabling all employee to easily submit reports via either computers or mobile devices. In 2022, a total of 316 safety reports were received, and a total of 581 safety reports were received in 2023.

Safety Implementation Teams in various areas of STARLUX systematically assess and analyze risks based on the safety reports received and monitor the implementation of risk control measures. Fatigue cases among cabin crew members are a key risk control focus area identified through the safety reporting system by the Flight Safety Team. For this area, STARLUX has implemented risk improvement projects.

Risk Control Highlight Project：

During 2023, 581 safety reports were received through our Safety Reporting System (iQSMS). Among these, fatigue-related issues were identified on a specific route: Taipei (TPE) to Sendai (SDJ). This route, recognized as one of our longer flight duties at the time, received fatigue-related feedback on more than four occasions. In result, it reached a moderate risk level based on safety standards. In response, the company immediately implemented the risk assessment process and control measures in accordance with our Safety Management Manual (SMM). Additionally, the company conducted a Risk Management Meeting to perform root cause analysis and develop improvement measures. The entire risk management process for this case was thoroughly documented in the iQSMS system, serving as a valuable resource for future reference, continuous learning, and enhancing the effectiveness and transparency of the company's risk management practices.

Root Cause Analysis

Taipei to Sendai Flight Fatigue Improvement Measures

Improvement Measures	Implementation Dates	Description
Optimizing Crew Schedules and Roasters	June 2023	In May, upon receiving the "Taipei to Sendai Flight Fatigue" report, an evaluation was conducted, indicating that the fleet manpower was insufficient to accommodate changes in deployment methods. Therefore, starting from June, the following handover optimization plan was implemented in the roster, with plans to transition to strengthened deployment from September onwards: • No scheduling of Initial Operating Experience (IOE). • Taipei to Sendai flights limited to a maximum of 2 consecutive days. • Maximum of 3 consecutive days with Taipei to Sendai flights and • ground duties.
Dispatching Multiple Crew	From early September to the end of October 2023	From September, it is the peak season for Taipei to Sendai flights. Despite this, first-class cabin crew members continue to be assigned with strengthened deployment. If seats become available before the flight's departure, they are booked. Otherwise, crew members are allocated observer (OBS) seats in the first-class cabin. Confirmation is made in advance whether Taipei to Sendai flight rest seats for 2024 need to be reserved. As all Taipei to Sendai flights for 2024 are planned as overnight flights, there is no need for advance seat reservation.
Overnight Stay	From late October 2023	Starting from October 30, 2023, Taipei to Sendai flights are changed to overnight flights.

Through a robust risk management system, we effectively address the fatigue issues associated with the Taipei to Sendai flight, fulfilling the company's commitment to the safety of both employees and passengers. This not only enhances STARLUX's risk management effectiveness and reputation but also underscores the company's high regard for risk management.

4.3 Cabin Crew Management

4.3.1 Cabin Crew Care

STARLUX is committed to promoting Employee Assistance Programs (EAP) to provide psychological care. This not only fosters trust and understanding among cabin crew members but also enhances teamwork and communication skills. Moreover, cabin crew members with good mental health are better able to maintain focus and efficiency at work, thereby improving overall productivity and reducing the occurrence of human resource risks.

Cabin Crew Fatigue Management

STARLUX adheres to the guidelines outlined in the "Fatigue Management Guide for Airlines Operators, 2nd Edition", jointly released by the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO), and the International Federation of Air Line Pilots' Associations (IFALPA) in 2016. We comprehensively manage fatigue risks for crew members through the following methods:

Predictive	STARLUX's flight crew scheduling system utilizes the Biological Sleep and Fatigue Model (BSAFR) to analyze the effectiveness (%) of flight crew work performance based on alertness values. A higher percentage indicates lower fatigue levels and relatively higher work efficiency. Before the monthly schedule is released and before/after any schedule changes, the scheduling system automatically checks whether the fatigue values of flight crew members have reached the alerting threshold, providing scheduling personnel with references for schedule adjustments and improvements
Proactive	Every year, fatigue surveys are distributed to assess flight crew members' fatigue levels, duty schedule structures, dispatch methods, vacation arrangements, and other related aspects. The Crew Scheduling Department conducts analysis on the survey results, evaluates schedule optimizations, and proposes improvement measures.
Reactive	Flight crew members proactively report fatigue incidents using iQSMS. The Crew Scheduling Department analyzes the fatigue data along with the duty schedules for the preceding and subsequent three days. If the fatigue report's risk level for the same route reaches a moderate level, a Risk Register meeting is convened to conduct root cause analysis and propose improvement measures. In 2023, a moderate-risk route was identified, prompting the Crew Scheduling Department to implement phased improvements in crew handover and adjust dispatch patterns to mitigate the risk (please refer to Section 4.2.3 - Accident and Safety Management).

STARLUX commits to ensuring that all employees have sufficient knowledge and skills to address and effectively manage fatigue-related risks. Regular comprehensive training programs are scheduled to ensure that team members have a deep understanding and competence in fatigue management requirements. Through these training programs, STARLUX assists employees in obtaining certification in the International Air Transport Association (IATA) Fatigue Risk Management System (FRMS), ensuring that they possess the professional capabilities to handle various operational conditions.

Measure Types	Specific Measures
Pilot Training	For new flight crew members, dispatch regulations courses are arranged as part of their initial training to enhance their understanding of aviation operations management rules. Additionally, fatigue management courses are provided to increase awareness of fatigue management among flight crew members.
Roster Staff Training	New recruits must complete dispatch regulations and fatigue management training as part of their initial training. Annual recurrent training will involve case studies of flight safety incidents caused by fatigue to reinforce awareness of fatigue management among staff. Additionally, staff members are sent for training on IATA fatigue management courses to enhance knowledge and improve fatigue management mechanisms, thereby reducing potential risks associated with fatigue.
Cabin Crew Fatigue Management	Since the second half of 2023, The company has implemented regulations and case study educational training sessions for cabin crew fatigue. This initiative aims to strengthen cabin crew members' understanding of aviation operational management regulations and relevant labor laws. Through practical flight case simulations and scheduled hours calculation, various abnormal scenarios are discussed to ensure that on-duty cabin crew members take autonomous responsibility in managing fatigue effectively.
	Operational planning for cabin crew members' physiological and psychological management exceeds regulatory requirements to ensure that they receive sufficient rest before performing tasks. Regular reviews of cabin crew flight reports and feedback are conducted, and periodic rest briefing sessions are organized and rest briefing notices are issued based on flight operations and actual needs of cabin crew members during duty periods.
PR Skill Enhancement Course	Cabin crew fatigue regulations and case study training sessions are included in PR skill enhancement courses to enhance online cabin crew members' understanding of aviation operations management rules and relevant labor laws.

Human Resource Planning and Scheduling Management

STARLUX is committed to ensuring the rational and effective allocation and utilization of human resources. We actively introduce state-of-the-art scheduling systems, develop crew shift exchange systems, optimize scheduling policies, and ensure the coordinated operation of various training. This effort also provide employees with a more flexible and humane working environment.

Types of Measures	Specific Measures
Duty Manpower Planning	• Advance Planning: Early planning for flight operations and fleet introductions aligned with company goals. • Talent Management: Timely recruitment and promotion planning synchronized with updated flight schedules. • Work-Life Balance: Effective management of cabin crew schedules to balance monthly flight hours and rest periods, with seasonal leave scheduling for optimal physical and mental well- being.
Introduction of Scheduling Systems	1. Early Adoption: Introduced Crew Management System (CMGS) during initial company setup. 2. Digital Efficiency: Utilizes digital scheduling for cabin crew assignments and aircraft monitoring. 3. Automated Optimization: Automatically balances flight hours, shifts (long and short), and vacation days to ensure efficient scheduling and compliance with regulations.
Development of Crew Shift Exchange Systems	Developed a flight crew app with a shift exchange feature, enabling crew members to request exchanges at any time. The system includes an automated approval mechanism for real-time application results, facilitating effective work-life balance arrangements.
Optimization of Scheduling Policies	• Flexible Scheduling: Introduced options for certain flight crew to arrange monthly schedules with designated leave or flight flexibility. • Operational Adaptability: Adjusts deployment strategies promptly based on route conditions to enhance operational proficiency and flight safety, while managing crew fatigue effectively.

Self-Management of Psychoactive Substance Testing

STARLUX follows Civil Aviation Administration's Aircraft Flight Operations Management Regulations (07-02A) Article 199 and has established the "Psychoactive Substance Testing Procedure" to ensure flight safety and compliance with regulations, implementing the following alcohol testing policies:

- Flight crew must undergo 100% alcohol testing when departing from the station.
- Cabin crew, dispatchers, maintenance personnel, and service staff are subject to random testing, covering 30% of the total number annually.
- Flight crew and cabin crew resting or overnighting at outstations are subject to random testing, covering 50% of the total number annually, which exceeds industry standards.

Internally, newly hired flight crew receive training on relevant regulations, operating instructions for both handheld and breathalyzer alcohol testing devices, and explanations of the flight check-in alcohol testing process. To enhance flight crew understanding and compliance with alcohol testing, the company disseminates announcements regarding alcohol testing regulations and promotes self-management guidelines. Flight crews are encouraged to maintain appropriate physical and mental states while performing their duties. Additionally, since December 1, 2022, cabin crew are required to self-store and reuse alcohol testing mouthpieces to reduce environmental impact.

Enhancing Communication with Cabin Crew

To improve communication with cabin crew and foster their commitment to the company, we provide diverse channels for cabin crew to express their concerns and needs regarding their duties. We offer prompt responses and care to address their issues, which helps cultivate a positive corporate culture. This approach facilitates good interaction between internal and external stakeholders, enhances satisfaction among cabin crew and customers, and ensures we can effectively adapt to the ever-changing operational environment.

Type of Measures	Specific Measures
Cabin Crew Performance Executive System	• Establishing the "Cabin Crew Performance Executive" position, with each supervisor leading approximately 80 cabin crew members of all ranks. They address issues, needs, or time-sensitive matters encountered during duty, ensuring timely responses and care. • Each performance executive dedicates at least two days per month for face-to-face meetings with cabin crew members, providing professional advice on service-related queries, company goals, and individual career planning.
Professional Knowledge	• Sharing monthly customer complaint cases through case studies or videos, along with service technique suggestions, to enhance service quality. • Regularly disseminating company announcements and service technique suggestions to cabin crew members before flight briefings, strengthening their understanding of service professionalism. • Conducting annual cabin crew forums, mandatory for each crew member every two years, inviting professional speakers to enhance their professional knowledge, with content adjusted based on questionnaire feedback. • Providing skill enhancement courses for newly promoted pursers, sharing case studies and offering guidance on handling abnormal situations.
Communication Platforms	• Establishing cabin crew groups on the company communication platform, where performance executive post real-time service messages or reminders. Cabin crew members receive company announcements and supervisors' guidance through these groups. • Forming an editorial team comprising management staff and online cabin crew members to publish the PO' TSUA electronic quarterly magazine, sharing experiences and travel tips, fostering sharing and interaction.
Regular Meetings	• Holding fleet meetings and department meetings monthly to discuss and deliberate various policies. • Conducting fleet seminars semi-annually to share flight operation topics, communicate policy objectives, and provide online cabin crew members with networking opportunities. • Organizing manpower meetings every two months to discuss personnel needs, promotion and training plans, and recruitment and selection processes with the fleet.

4.3.2 Professional Training and Assessment

STARLUX places great importance on the professional skills and knowledge of flight crew in the aviation field. Therefore, flight crew are required to undergo an "Annual Proficiency Check" on the simulator every six months and an annual "Line Check" on the actual aircraft. During these assessments, flight crew must demonstrate their abilities in both simulated and actual flight scenarios to ensure they maintain a high level of flying proficiency and navigation skills to handle challenges in different routes and flight environments.

Supervisory Flight

In line with STARLUX's operational philosophy of "Safety First" and the safety goal of "Zero Accidents", we conduct onboard operational inspections supervised by appointed inspectors. Each month, supervisors assigned by the fleet observe the overall operational system online and evaluate the implementation of policies and procedures by flight crew, the utilization of Crew Resource Management (CRM) skills, and the awareness of safety and security. Through this process, we identify trends and issues in system operation and flight crew performance, continuously improving weaknesses to enhance flight safety and operational efficiency.

Through regular flight inspections, we ensure that inspectors carry out onboard operational inspections and assess the competency of pursers. Additionally, pursers are responsible for assessing general cabin crew members during each flight. We encourage and acknowledge the efforts of cabin crew members in areas where they perform well and provide appropriate suggestions and guidance for areas that need improvement.

STARLUX implements safety reporting procedures, regularly collects, and analyzes report data, and continuously monitors flights to anticipate potential safety risks. Furthermore, through regular meetings, we discuss the operational status of onboard operations, identify observation focus areas, review the correctness and applicability of standard procedures, and strengthen flight safety at From 2022 to 2023, a total of 136 supervisory flights were completed.

Professional Flight Training

STARLUX Provides a comprehensive professional flight training system to ensure that flight crew and cabin crew possess high-level skills and professionalism in all aspects. Here are the main training programs and the number of personnel involved:

Year	2022		2023	
Training Program/Flight Crew Category	Flight Crew	Cabin Crew	Flight Crew	Cabin Crew
Basic Flight Training	134	117	426	560
Aircraft Type Conversion Training	19	6	471	724
Annual Recurrent Training	128	380	128	455
Promotion Training	20	38	99	108
Cabin Service Training	NA	NA	359	545
Total (Number of Personnel Trained)	**301**	**541**	**1,483**	**2,392**

Note 1: Basic Flight Training/Annual Recurrent Training: Provides training in fundamental flight skills and offers recurrent training annually, including ground subjects, basic flight training, route experience, etc.

Note 2: Aircraft Type Conversion Training: Training required after introducing new aircraft types, including cabin structure courses, aircraft type differences training, emergency evacuation training, aircraft type conversion simulator training, and training related to differences in onboard services.

Note 3: Cabin Crew Promotion Training: Courses aimed at enhancing the skills of cabin crew members for promotion, including upgrading to purser, captain, instructor pilot, and promotion check pilot.

Note 4: Cabin Service Training: Training provided to cabin crew members, including first-class service training, business class service training, and enhanced training for dual-aisle business class service.

STARLUX has also introduced the Cabin Flight Report System (CFRS) allowing cabin crew members to write flight reports after flights, enabling management to monitor abnormalities across the entire route, including safety and service aspects. Through real-time transmission, management can quickly understand flight reports and the service status of cabin crew members, enabling timely notification to relevant management department for service improvement and ensuring high standards of cabin crew performance.

4.4 Flight Operation Monitoring and Management

4.4.1 Aircraft Maintenance Management

In response to fleet expansion, we continuously introduces necessary tools and equipment for maintenance, establishing the foundation for aircraft maintenance. The maintenance base is located at Taoyuan International Airport, with the first maintenance hangar inaugurated in October 2022, accommodating regular maintenance work for the existing fleet. The hangar is equipped with adequate lighting and air conditioning to ensure that maintenance operations are not restricted by weather and time factors. The facility also features comprehensive fire safety equipment and personal safety gear, with regular drills conducted to ensure the safety of maintenance personnel.

Aviation Maintenance Training Center

STARLUX operates an Aviation Maintenance Training Center, overseen by the Engineering & Maintenance Div, responsible for promoting various business activities, ensuring sustainable operation, and compliance with civil aviation personnel training institution management regulations. The training center is monitored by training managers and quality managers who oversee training standards, maintenance trainees' subject examinations, and practical evaluations.

To promote sustainable development and knowledge transfer, STARLUX launched a new maintenance training program in October 2022. This program provides systematic training for inexperienced personnel to become qualified maintenance technicians. STARLUX recruits mainly experienced professionals from the industry, contributing to the cultivation of a new generation of skilled professionals. Additionally, we boast professional and qualified instructors and maintenance teams in our training program. Significant resources are invested in new facilities at the training center to ensure trainees can thoroughly complete their training and acquire the necessary skills and knowledge.

To meet the needs of aircraft maintenance and airworthiness release, it is essential to rely on qualified personnel licensed by regulatory authorities. Since 2022, STARLUX has progressively obtained approvals from the Civil Aviation Administration for its aviation personnel training institution, enabling full-system training capabilities for the A321neo and A330neo. Additionally, in 2023, we applied for full-system maintenance training capabilities for the A350-900 to ensure that maintenance personnel have a comprehensive career development pathway within the company.

Maintenance Training Center Personnel Chart
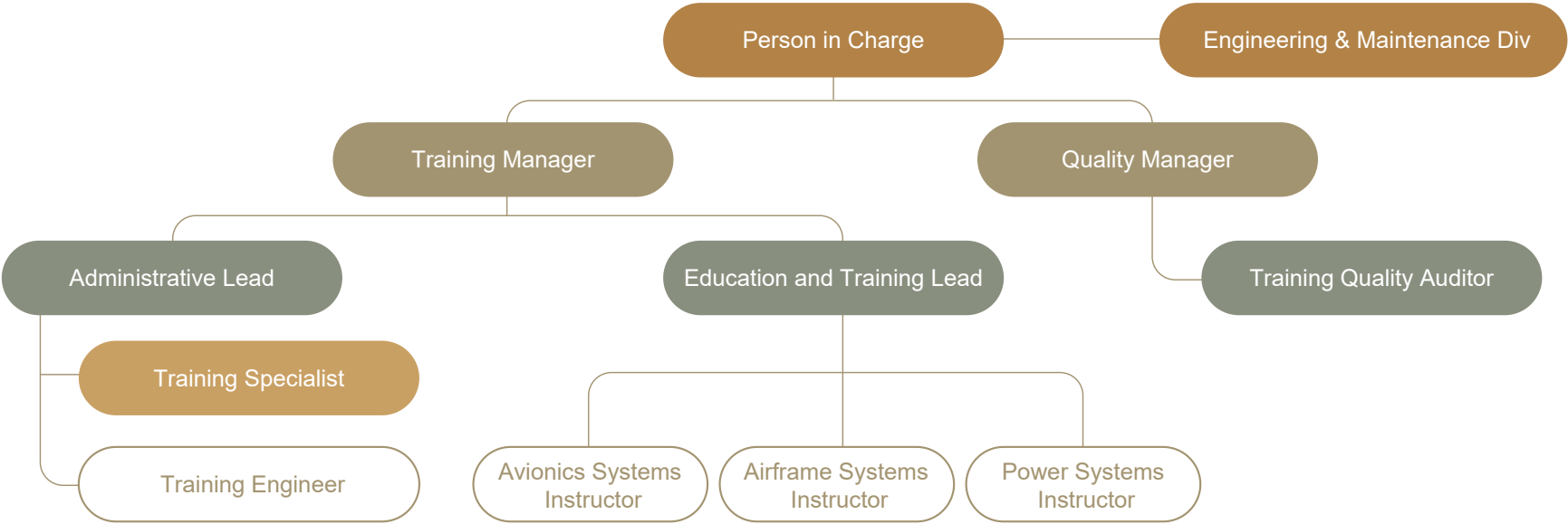
Aircraft Maintenance Digitalization System

In response to digital operations, the maintenance hangar has enhanced the overall wireless network signal strength and coverage across the facility. This improvement boosts employee work efficiency and facilitates the convenience of maintenance personnel in performing their tasks. The digital system assists in the planning and integration of long-term maintenance tasks, providing STARLUX with a professional advantage.

Advantages	Advantage Explanations
1. Data Accuracy and Real-time Updates	By integrating existing onboard data communication links (such as ACARS, SATLINK, Gatelink, Cellular, etc.) and transmitting data to ground systems, the system reduces human errors associated with traditional paper-based logbook entries. It allows flight crew members to record and transmit accurate information in real-time during flight disruptions, enabling maintenance teams to initiate fault diagnosis and troubleshooting before the aircraft even arrives, effectively resolving issues before the next flight.
2. Mobility and Security	The system operates both onboard and on mobile devices distributed to maintenance personnel (e.g., tablets). Through rigorous digital authentication mechanisms, all transmitted information and records are securely protected. The database also has a comprehensive backup mechanism to ensure readability, security, and integrity in line with digital operational standards.
3. Resource Conservation	The system reduces the average annual use of paper in engineering, repair, and supply-related operations. This includes documents such as engineering assessment and review files, maintenance logs, supply procurement documents, maintenance operation records, maintenance procedures, and work cards.

From the very beginning of its establishment, STARLUX has been determined to introduce and develop digital operations. In addition to significantly reducing paper-based tasks and achieving environmental sustainability goals, this initiative aims to shorten aircraft turnaround time for routine maintenance and enhance productivity, thereby increasing aircraft availability. The following are the digital maintenance-related systems implemented by STARLUX:

System Name	Function Description
ULTRAMAIN (ELB/ULTRAMAIN V9/Mobile Mechanic) Aircraft Maintenance System	This system covers electronic technical logs, maintenance work cards, airworthiness directives, and other documents required for aircraft maintenance. It completely replaces paper-based operations and has obtained approval from regulatory authorities (Civil Aviation Administration, Ministry of Transportation) for implementation.
DOC/eManual Document Management System	This system stores and manages manuals, standard operating procedures (SOPs), forms, and various ISO documents related to aircraft maintenance. Maintenance personnel can access the correct versions of technical documents anytime, anywhere through computers or mobile devices, ensuring that maintenance work is carried out correctly.
BPM Electronic Signature System	In the aviation industry, many evaluation and review processes require internal approval through procedural forms. Implementing an electronic signature system eliminates the limitations of time and location, as well as the resource waste and tracking difficulties associated with traditional paper forms.
eTDS Employee Training and Development System	Maintenance personnel must complete rigorous training in various academic and technical subjects, as well as assessments of professional competencies in various departments, to obtain authorization to perform related operations. The training system allows trainees to read courses and take assessments online, without time or location constraints. Training records are stored in the system for long-term access, ensuring that maintenance personnel maintain their authorization qualifications.

Digital Innovation: Airbus Skywise Health Monitoring (SHM) Tool

STARLUX is committed to promoting real-time aircraft monitoring technology, utilizing the Airbus Skywise Health Monitoring (SHM) tool to provide effective and innovative aviation maintenance services. Through this technology, the company can monitor abnormal events on all aircraft to prevent frequent and repetitive failures and detect problems early when they occur, thereby enhancing overall maintenance efficiency.

In terms of long-term monitoring, STARLUX can detect trends in fluctuations early, enabling maintenance personnel to accurately predict the time and resources needed for troubleshooting. Additionally, this system can detect and manage repetitive failures, allowing maintenance personnel to perform repairs early, ensuring the achievement of the company's safety goals.

This continuous monitoring and predictive analysis approach helps improve the reliability of aircraft operations, while saving on maintenance costs and resources, ensuring the highest level of flight safety.

Three Major Maintenance Quality Guarantees of SHM

1. Achieving optimized total aircraft fuel consumption by more accurately monitoring the operational status of aircraft.

2. Arranging additional flights to transport affected passengers in the event of abnormal aircraft conditions, reducing the occurrence of flight cancellations to ensure a decrease in unnecessary carbon dioxide emissions.

3. Increasing aircraft reliability can reduce the chance of returning after a technical alert, as these procedures often require fuel dumping before landing.

4.4.2 Aircraft Monitoring Technology

Aircraft Monitoring and Management

STARLUX's Operations Control Center operates around the clock as a 24-hour flight dispatch and monitoring center. It is staffed by licensed flight dispatchers from the Civil Aviation Administration who handle dispatch and control positions, ensuring the safe and efficient operation of the company's flights. The Operations Control Center, with professional flight dispatchers at its core, combines advanced electronic systems and communication technologies to ensure the smooth operation of our flights under various conditions, while maintaining a high level of safety.

Dispatch Position	• Responsible for releasing the flight plan for the day's flights. • Utilizes electronic flight planning systems to create flight plans. • Selects safe, fuel-efficient, and time-saving routes to optimize flight planning.
Control Position	• Monitors the overall operation of the company's flights through the system, tracking the aircraft's position in flight and maintaining real-time awareness of flight status. • Receives the latest notices from airports or flight information regions, coordinates and schedules responses to abnormal situations, ensuring prompt and effective handling. • Contacts aircraft crews via communication equipment such as VHF, satellite phones, and internet communication.

Aircraft Monitoring Digital System

STARLUX has implemented an aircraft digitalization system aimed at providing more efficient flight planning and quicker risk assessments. The goal is to establish comprehensive and real-time flight information, enabling both flight crews and ground control centers to monitor aircraft status at all times and promptly respond to any abnormal situations. Through digitalized monitoring and management, the company enhances the efficiency and safety of flight operations, while also ensuring timely handling and response to various scenarios. Below are the digital aircraft monitoring systems implemented by the company:

System Names	Function Explanation
Aircraft Real-time Status Monitoring	Utilizing the Lufthansa Systems NetLine/Ops system to monitor the status of flights, ensuring operational punctuality, and dynamically adjusting flight schedules to avoid disruptions caused by aircraft delays.
Aircraft Location and Abnormal Information Monitoring	Monitoring: Leveraging the SITA Aircom FlightTracker system to monitor the real-time position of flights in flight, and through system alert settings, obtaining immediate information on altitude, fuel consumption, route, etc., comparing them with the flight plan. Additionally, by configuring aircraft ACMS and ACARS systems, abnormal alerts from the aircraft system are transmitted to the ground system for early judgment and handling of flight abnormalities, ensuring flight safety and smooth operations.
Flight Planning System	Using the Lufthansa Systems Lido system, dispatchers input weight information and utilize integrated aircraft performance, weather, airport, route, NOTAM information, etc., to create the flight plan and determine the required fuel for the day's flight tasks.
Electronic Flight Planning	Employing the Thales Aviobook system to present flight planning documents generated by dispatchers and related meteorological, route, significant weather charts, notices, etc., in an electronic system. Flight crew members can directly conduct pre-flight briefings and sign documents through the electronic system. Furthermore, it offers paperless operations, enhancing overall dispatch operation efficiency by eliminating the need for printing paper documents.
En-route Hazardous Weather Monitoring	Through the WNI Weathernews Inc. weather monitoring system, dispatchers can display significant or hazardous weather forecasts along the flight path for the day's operational flights. Evaluating the risk to flight operations, flight plan adjustments can be made accordingly. During the summer season, airports affected by typhoons provide hourly forecast data, serving as a reference for the company's risk assessment in adverse weather conditions and flight scheduling.

5 Sustainable Environment

5.1 Energy and Greenhouse Gas Management

5.2 Environmental Protection and Sustainable Resource Circulation

5.3 Climate Change Response

5.1 Energy and Greenhouse Gas Management

Disclosure Content	Item	Content
Policy and Commitment	Policy	By 2024, plan to implement environmental and energy management systems, establishing sustainable performance indicators. Introduce advanced, eco-friendly aircraft models and ground equipment with carbon reduction technology to minimize greenhouse gas emissions and environmental impact.
	Commitment	Committed to supporting national net-zero emission strategies towards 2050 goal. Introducing aircraft models reducing carbon emissions by 12-15% and meeting 16EPNdB noise standards. By 2025, implement strategies including sustainable aviation fuel (SAF) usage, green-certified materials and facilities, enhanced aircraft maintenance to reduce carbon buildup, and electrification of ground vehicles, progressively contributing to environmental protection.
Action Plan	Positive Impact Management	Following Civil Aviation Administration's 2023 guidelines on carbon offsetting for international aviation, annually review aircraft emissions and refine fuel-saving strategies. Prepare for 2027 carbon offset plan. Regular fuel efficiency meetings prioritize fuel efficiency, RVSM, water management, and APU usage when introducing new aircraft, implementing fuel conservation measures.
	Negative Impact Management	Despite growth leading to increased emissions even with new aircraft, the company actively implements fuel-saving measures. Employees are encouraged to innovate within low-carbon constraints. All operations aim for reduction, decarbonization, and energy efficiency, demonstrating the airline's commitment to sustainability.
Effectiveness Evaluation	Qualitative	The company's Sustainable Development Committee develops various environmental protection and fuel-saving policies, implements carbon reduction plans, and promotes sustainable projects. It conducts goal checks and policy formulation every six months.
	Quantitative	• In 2023, completed one ferry flight of the new A350-900 aircraft using Sustainable Aviation Fuel (SAF). • Established "CORSIA Management Regulations" in 2023 and passed the Civil Aviation Administration's CORSIA mechanism audit for the first time, with plans to comply annually. • Initiated internal greenhouse gas inventory training in 2023, completed and verified the ISO14064-1:2018 standard for 2023, to be comply annually. • Began gradual implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2023.
Goal	Short-Term Goal	• Following Airbus policy, new aircraft delivery flights use at least 5% Sustainable Aviation Fuel (SAF). • Office spaces are equipped with ultra-thin, high-efficiency LED panel lights, reducing energy consumption by 60% compared to traditional lighting.
	Medium to Long-Term Goal	• Actively monitoring international carbon control mechanisms like CORSIA, EU ETS, and UK ETS. Timely adoption of new technologies, such as energy-efficient aircraft. Evaluating trends, cost-effectiveness, and timing for introducing the latest energy-efficient aircraft. • Ground transport electrification will achieve 60% coverage by 2030. • Operational aircraft system digitization will reach 90% by 2030. • Sustainable Aviation Fuel (SAF) usage will reach 5% by 2035.
Complaint Mechanism	Responsible Units	Corporate Sustainability Committee
	Contact Information	Dedicated Email: esg@starlux-airlines.com
	Reporting Mechanism	• Established Corporate Sustainability Committee in May 2023, implementing sustainability practices • Added stakeholder dialogue section on website in July 2023 • Committee oversees sustainability efforts, including sustainable procurement and environmental initiatives
Communication Achievement	Positive and Negative Feedback	Attends Airbus annual SAF and aircraft tech conferences for updates on new technologies and efficiency trends. Participated in 2023 IATA North Asia SAF meeting to develop 2050 net-zero aviation strategy. Addresses carbon reduction in five areas: flight tech, energy policies, operations, finance, and regulations. Collaborates with industry peers for mutual benefits.
	Improvement and Prevention Measures	In December 2023, STARLUX became an IATA member. The airline actively participates in meetings and projects with the Taipei Air Transport Association. It also attended three meetings with the Bureau of Standards, Metrology and Inspection to establish national sustainability standards.

5.1.1 Energy Management

Following COP28, global carbon reduction progress lags behind Paris Agreement goals. Governments and businesses are strengthening carbon management and reduction policies. In 2023, Taiwan amended its climate law to include 2050 net-zero target. IATA released a 2050 net-zero strategy for aviation. STARLUX actively responds by minimizing environmental impact and prioritizing carbon reduction and energy conservation in operations.

To enhance energy and greenhouse gas management, STARLUX focuses on "operational sites" and "aircraft". The airline aligns with national, ICAO, and IATA net-zero strategies, developing various initiatives. The Corporate Sustainability Committee formulates fuel-saving guidelines, carbon reduction plans, and sustainability projects, reviewing goals and policies semi-annually. STARLUX actively supports the government's 2050 net-zero target and demonstrates its commitment to carbon reduction to stakeholders.

Operational Site Energy Conservation and Carbon Reduction Strategy

STARLUX's main energy use at operational sites is purchased electricity, followed by fuel for company vehicles and machinery. The airline focuses on fuel and electricity conservation through efficiency improvements, operational optimization, and renewable energy expansion. Sustainability strategies are integrated into future facility designs. In 2024, STARLUX plans to implement environmental and energy management systems to enhance operational control.

Strategy	Action Plan
Enhancing Energy Efficiency	• Implement segmented and zonal control for lighting in public spaces to reduce energy consumption. • Utilize energy-efficient LED fixtures in office spaces. • In future planning for Taoyuan Aerotropolis, incorporate solar photovoltaic panels to replace non-renewable energy sources.
Optimizing Operational Modes	• Control the water temperature and flow rate of air conditioning systems to achieve optimal operation and save energy.
Promoting Vehicle Energy Conservation	• Install solar panels on ground vehicles and implement vehicle electrification.
Promoting Sustainable Buildings	• Ensure that new buildings in Taoyuan Aerotropolis meet at least the Taiwan Green Building Silver Candidate Certificate standards. • Utilize building materials and facilities with green building certification.

## Aircraft Energy Conservation and Carbon Reduction Strategy

Since its 2020 launch, STARLUX expanding operations have increased fuel consumption. In 2023, aircraft emissions accounted for 97.73% of Scope 1 and 2 emissions, making it the focus of carbon reduction efforts. To address the growing fleet, STARLUX implements technical optimizations, analyzes fuel-saving benefits, and sets KPIs for responsible units. Initiatives like reducing loose cabin items save 209.43kg of fuel per flight annually, demonstrating commitment to government energy-saving and emissions reduction policies.

Strategy	Action Plan
Aircraft Technological Advancements	• Procure A350-900/1000 aircraft equipped with the Rolls Royce Trent XWB engine, which boasts the industry's best efficiency, reducing carbon emissions by 25%.
Energy and Alternative Fuels	• Gradually increase the utilization rate of Sustainable Aviation Fuel (SAF) annually. • Adhere to the Civil Aviation Administration's guidelines for the use of Sustainable Aviation Fuel (SAF) by incorporating synthetic JET A1 fuel with SAF additives.
Operational Mode Optimization	• Establish an off-site washing model for onboard supplies to reduce loose cargo weight, avoiding the placement of backup supplies for round-trip routes, thus saving fuel. • Implement Dynamic Cost Index to optimize flight costs based on time and fuel costs within the LIDO operating system. • Aggregate the benefits of fuel-saving measures and establish Key Performance Indicators (KPIs) for responsibility units, including aircraft weight reduction, optimization of fuel for flight, and optimization of dispatch and arrival for flights. • Analyze the fuel-saving benefits of existing aircraft models and apply for Reduced Vertical Separation Minima (RVSM) operations.
Implementation of Carbon Reduction Policies	• Develop corresponding carbon reduction plans in accordance with CORSIA, aiming to achieve net zero carbon emissions by 2050. Actively monitor and discuss topics related to Sustainable Aviation Fuel (SAF), carbon markets, and carbon credits in internal meetings, reporting to senior management periodically.
Green Loan	• Arrange for a TWD30 billion syndicated loan to expand the fleet in response to the expansion of operations, prioritizing the introduction of the most advanced and environmentally friendly aircraft models. Continuously introduce aircraft and ground equipment with carbon reduction technologies.

5.1.2 Energy Usage Overview

In 2023, STARLUX's total energy consumption was 7,854,949.34GJ, with aircraft operations accounting for 99.04% and purchased electricity for 0.61%. Energy intensity decreased by 76% from the previous year due to increased travel demand post-pandemic. As STARLUX is in a growth phase, new operational sites and offices were opened between 2022 and 2023, increasing energy use. The airline will continue monitoring energy consumption trends and plan feasible energy-saving measures.

Total Energy Consumption and Intensity for 2022 and 2023
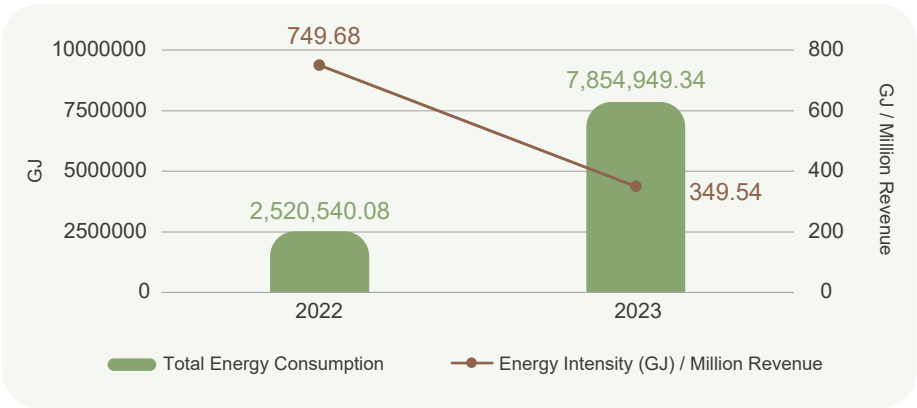
Energy Consumption and Intensity of Operational Sites in 2022 and 2023

Total internal energy consumption			2022	2023
Non-renewable Fuels	Gasoline	L	80,577.63	160,567.79
		GJ	2,631.55	5,243.92
	Diesel	L	238,344.16	585,957.79
		GJ	8,382.75	20,608.60
	Liquefied Natural Gas (LNG)	m³	35,180.00	48,269.00
		GJ	1,325.69	1,818.92
Purchased	Electricity	kWh	9,715,676.69	13,321,759.99
		GJ	34,984.40	47,969.26
Operational Site - Total Energy Consumption Value		GJ	47,324.40	75,640.70
Operational Site - Total Energy Intensity		GJ/million revenue	14.08	22.08
Operational Site - Total Energy Intensity		GJ/m²	0.46	0.70

Note 1: STARLUX's energy consumption data covers its Taipei Headquarters, STARLUX Flagship Store, Taichung office, and multiple sites at Taoyuan International Airport, including terminals, logistics centers, maintenance facilities, and FTZ Cargo Terminal.

Note 2: Energy consumption is calculated as: energy use × energy heat value × 4.187 (joules/kcal). Heat values: gasoline 7,800kcal/L, diesel 8,400kcal/L, LNG 9,000kcal/m³, electricity 860kcal/kWh. These values are from the Bureau of Energy, MOEA. The energy unit conversion (4.187 joules/kcal) is from the 2022 Energy Statistics Handbook's conversion table, available on the MOEA Bureau of Energy website.

Note 3: The method of calculating energy intensity is the total energy consumption (GJ) divided by the total floor area.

Note 4: From 2022 to 2023, STARLUX opened new sites and offices, increasing overall energy use. Consequently, 2023's total operational energy consumption exceeded that of 2022.
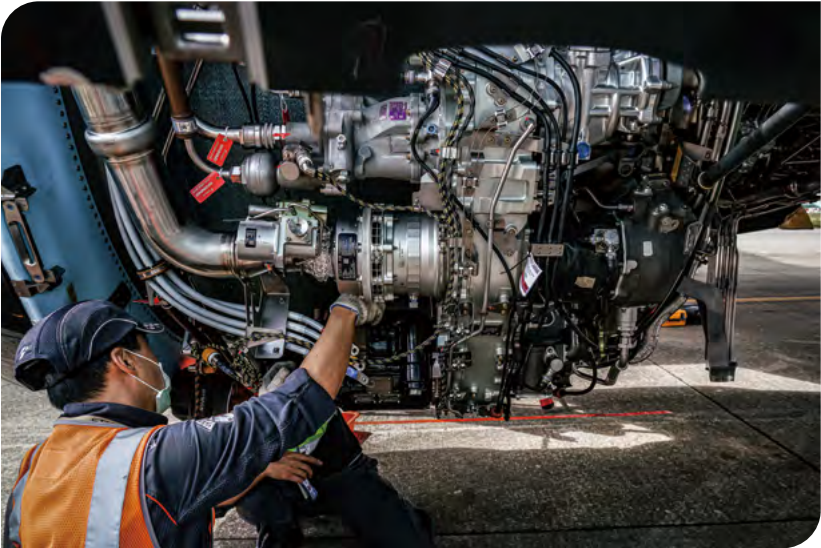
The Energy Consumption and Intensity of Aircraft for 2022 and 2023

Total Annual Internal Energy Consumption			2022		2023	
Aviation Fuel	Passenger Transport	L	33,953,850.00	63.00%	199,731,420.25	86.00%
		GJ	1,137,318.16		6,690,205.43	
		MJ/RPK	1.58		1.05	
	Cargo Transport	L	19,941,150.00	37.00%	32,514,47.25	14.00%
		GJ	667,948.76		1,089,103.21	
		MJ/FTK	17.11		8.50	
Aircraft - Energy Content of Consumed Energy		GJ	2,473,215.68		7,779,308.64	
Aircraft - Total Energy Intensity		MJ/RTK	23.79		11.12	
Aircraft - Total Energy Intensity		GJ/ Million Revenue	735.61		346.18	
Alternative Fuels		%	—%		0.002%	
Sustainable Aviation Fuel (SAF)		%	—%		0.002%	

Note 1: Aviation fuel includes JET-A1, alternative fuels, and SAF. Alternative fuels are non-petroleum based and include SAF.
Note 2: RPK stands for Revenue Passenger Kilometers; FTK stands for Freight Tonne Kilometers; RTK stands for Revenue Tonne Kilometers.
Note 3: Passenger fuel efficiency uses passenger revenue. Cargo fuel efficiency uses cargo revenue. Overall fuel efficiency includes all operating revenues.
Note 4: Alternative fuel and SAF percentages are calculated by dividing their usage (in GJ) by total fuel usage.

Sustainable Aviation Fuel (SAF)

Sustainable Aviation Fuel (SAF) is crucial for achieving net-zero carbon emissions in aviation by 2050, potentially reducing emissions by up to 80%. STARLUX demonstrated its commitment by using 5% SAF in a new A350-900 ferry flight in 2023, aligning with Airbus policy. The airline actively engages in SAF technology and energy-saving trends through internal meetings, management briefings, and participation in industry conferences such as IATA's North Asia SAF meeting and Airbus annual events. By collaborating with other airlines and closely monitoring international carbon reduction mechanisms, STARLUX aims to promote mutual benefits and showcase its determination to reach net-zero emissions by 2050, including the timely introduction of energy-efficient aircraft.

5.1.3 Greenhouse Gas Management

In 2023, STARLUX verified its 2022 aviation fuel use under CORSIA. The company completed its first ISO 14064-1:2018 compliant greenhouse gas inventory for 2023, obtaining third-party verification in April 2024. STARLUX commits to annual inventories to monitor its emissions.

In 2023, STARLUX emitted 600,741.69 metric tons of CO2e. Direct emissions (98.19%) came mostly from aircraft, while indirect energy use (1.10%) was mainly from operational sites. Transport and product use accounted for 0.71%. Carbon intensity rose 326% due to increased flights post-pandemic. STARLUX will monitor reduction goals through regular inventories to support global carbon reduction efforts.

Statistics and Intensity of Greenhouse Gas Emissions for 2022 and 2023

Item		2022		2023	
		Metric Tons of CO2 Equivalent (CO2e)	%	Metric Tons of CO2 Equivalent (CO2e)	%
Category 1	Direct Emissions from Aircraft	136,248.03	96.59%	587,117.75	97.73%
	Direct Emissions from Non-Aircraft	—	—%	2,739.62	0.46%
Category 1-Subtotal		136,248.03	96.59%	589,857.38	98.19%
Category 2	Indirect Emissions include Externally-Purchased Power	4,809.26	3.41%	6,594.27	1.10%
Category 1 and Category 2 -Subtotal		141,057.29	100.00%	596,451.65	99.29%
Category 3	Indirect Emissions from Imported Energy	—	—%	899.88	0.15%
Category 4	Indirect Emissions from Transportation	—	—%	3,390.15	0.56%
Category 5	Indirect Emissions from Products Used by Organization	—	—%	—	—%
Category 6	Other Indirect Emissions	—	—%	—	—%
Category 3 to Category 6-Subtotal		—	—%	4,290.04	0.71%
Total		141,057.29		600,741.69	
Category1 and Category 2 Intensity(tCO2e/Millions of revenues)		41.95		26.54	
Greenhouse gas emissions are different from the previous year(tCO2e)		-		+459,684.40	

Note 1: STARLUX's energy consumption data covers its Taipei Headquarters, STARLUX Flagship Store, Taichung office, and multiple sites at Taoyuan International Airport, including terminals, logistics centers, maintenance facilities, and FTZ Cargo Terminal.

Note 2: The greenhouse gas inventory scope includes seven types of greenhouse gases: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).

Note 3: The greenhouse gas inventory is conducted using operational control methods.

Note 4: The greenhouse gas emission factors are referenced from the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table 6.0.4 version and the Product Carbon Footprint Information Website.

Note 5: In 2023, STARLUX completed CORSIA-compliant verification of 2022 aviation fuel use. In 2024, it conducted its first ISO 14064-1:2018 greenhouse gas inventory for 2023. The 2022 data includes CORSIA-verified aviation fuel and estimates for non-CORSIA fuel and purchased electricity.

Note 6: The 2023 inventory for Categories 3-6 covers upstream emissions from purchased energy in the value chain, employee commuting, business travel, and other related greenhouse gas emissions.

Note 7: The intensity metric is calculated using STARLUX's annual net operating revenue in millions.

Greenhouse Gas Emission Intensity of Aircraft for 2022 and 2023

Item		Unit	2022	2023
Aircraft Greenhouse Gas Emission Intensity	Passenger	kg CO$_2$e/RPK	0.12	0.08
	Cargo	kg CO$_2$e/FTK	1.29	0.64
	Total	kg CO$_2$e/RTK	1.31	0.84

Note: RPK stands for Revenue Passenger Kilometers; FTK stands for Freight Tonne Kilometers; RTK stands for Revenue Tonne Kilometers.

Proportion of Greenhouse Gas Emissions by Category in 2023

4,290.04
0.71%

2,739.62
0.46%

6,594.27
1.10%

587,117.75
97.73%

- ● Category 1：Aircraft
- ● Category 1：Operational Site
- ● Category 2
- ● Category 3~6
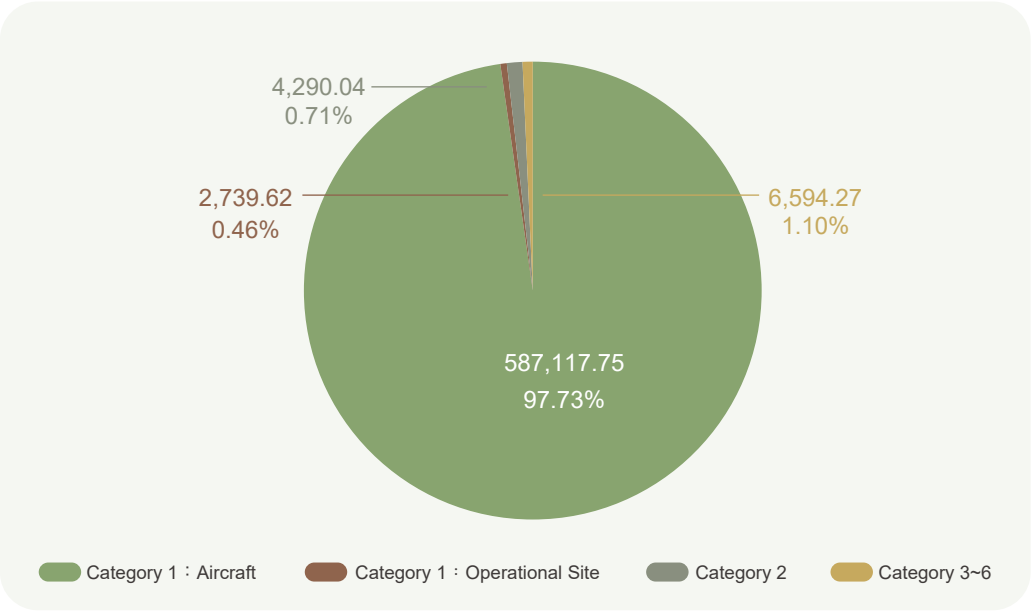
Greenhouse Gas Emissions 101:

Category 1 (Direct Greenhouse Gas Emissions): These are emissions directly from processes or facilities, such as emissions from raw materials, the use of fossil fuels in transportation, and refrigerant leaks from air conditioning and drinking water equipment.

Category 2 (Energy Indirect Greenhouse Gas Emissions): These are indirect emissions from the use of electricity or steam.

Category 3 (Other Indirect Greenhouse Gas Emissions): These are emissions from business activities that are not owned or controlled by the business, such as employee commuting and business travel.
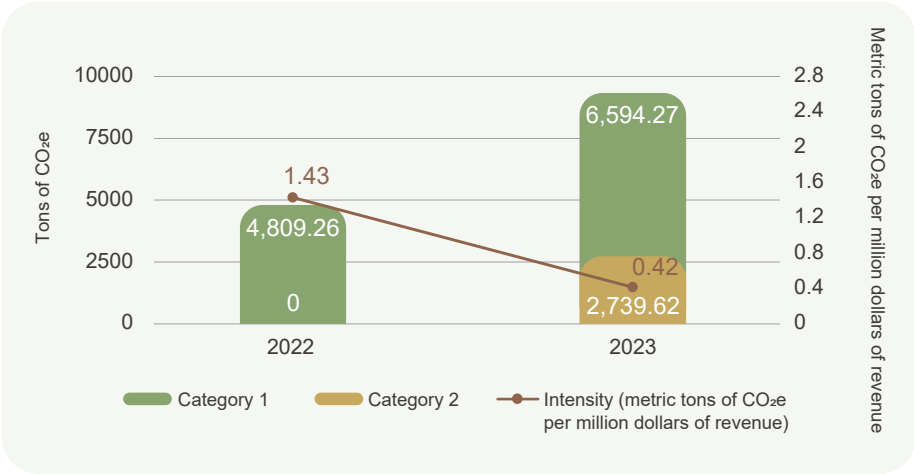
Emissions and intensity for Categories 1 and 2 at operational sites, 2022-2023.
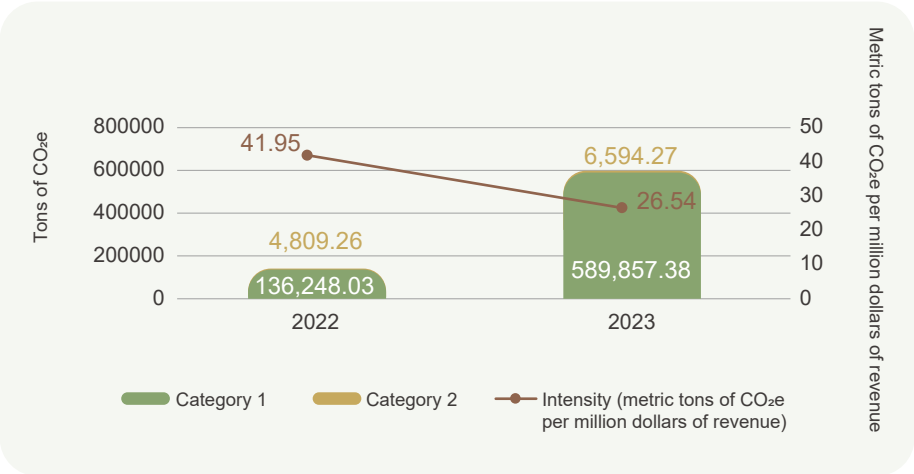

Note: The greenhouse gas inventory data for 2022 only includes CORSIA aviation fuel verification and preliminary estimates of non-CORSIA aviation fuel use for aircraft, as well as purchased electricity at operational sites.
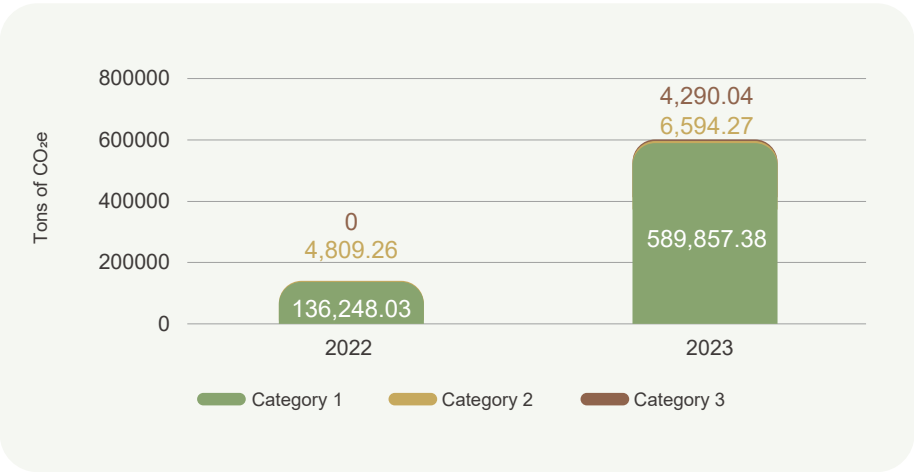
Total Greenhouse Gas emissions, Scope 1 and 2, 2022-2023.

Emissions and intensity for Categories 1 and 2 at aircraft, 2022-2023.

Total Greenhouse Gas emissions, Scope 1, 2, 3 and 6, 2022-2023.

STARLUX

5.1.4 Reduction and Energy-Saving Measures

STARLUX's main energy consumption comes from its fleet. To achieve long-term low-carbon operations, the company introduced new-generation short, medium, and long-range Airbus models (A321neo, A330neo, A350-900). These aircraft use lightweight, durable carbon fiber and titanium alloy composites, improving efficiency and reducing CO_2 emissions. In 2023, with Civil Aviation Administration approval, STARLUX adjusted contingency fuel and implemented Reduced Vertical Separation Minimum (RVSM) operations. These measures, along with high-altitude cruising, reduced air resistance and turbulence. In 2023, the company saved 21,198,706.00 kg of fuel and reduced carbon emissions by 66,987,910.96 kg.

In 2023, STARLUX implemented energy-saving initiatives across its operational sites, focusing on building air conditioning, office environments, and company vehicles. Measures included controlling AC water temperature, adjusting bathroom ventilation, and optimizing water heater usage times. These efforts saved an estimated 170,790.80 kWh of electricity, equivalent to 84,541.45 kg of CO_2 emissions. The company plans to introduce environmental and energy management systems in 2024 to further enhance its carbon reduction efforts.

Project	Energy Conservation Measure
Building Air Conditioning	• Since 2022, STARLUX has increased the chiller output temperature, saving 75,160.80 kWh annually, equivalent to reducing 37,204.60 kg of CO_2 emissions. • The air conditioning system's chiller uses an automated central monitoring system. It optimizes operation based on chilled water flow and temperature data, ensuring maximum efficiency and energy savings.
Office Environment	• LED lights save 60%+ energy in offices. • Heat-sensing lights in restrooms/pantries. • Automated lighting control in parking lots and for exterior logos. • Water heater timing adjusted, saving 36,500 kWh/year. • Optimized bathroom fan schedules save 59,130 kWh/year. • These measures significantly reduce energy consumption and CO_2 emissions.
Government and Operational Vehicles	• Solar panels on passenger stairs for battery charging, enhancing energy efficiency. • Electric vehicles used for baggage and cargo trailers to reduce energy consumption.
Aircraft	• Implementing a comprehensive fuel quantity control plan. Approved by the Civil Aviation Administration, the plan reduces the carry-on fuel for contingency purposes from 5% to 3%, resulting in a saving of 159,432.00 kg of carry-on fuel in 2023 and a reduction in carbon emissions. • STARLUX reduced contingency fuel from 5% to 3%, saving 159,432 kg of fuel in 2023, lowering carbon emissions. • Implemented Reduced Vertical Separation Minimum (RVSM) operations, saving 21,198,706 kg of fuel in 2023, reducing CO_2 emissions by 66,987,910.96 kg. • Introduced off-site cleaning for Los Angeles flights, reducing bulk cargo by 26.80% and total weight by 69.90% in 2023. Plans to expand to medium and long-haul routes.

Note: Emission reductions include Scope 1 and 2 emissions of CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.

Sustainable Fleet

Aircraft Model	Fuel-saving Equipment	Fuel-saving and Environmental Benefits
A321neo	Installation of fuel-saving sharklet wingtips, constructed from composite materials, enhances fuel efficiency, improves takeoff performance, and extends range.	Saves approximately 15% fuel consumption compared to the current Airbus A321ceo. Reduces noise.
A330neo	Equipped with Rolls Royce Trent 7000 engines and a completely new engine mounting structure.	With a range of 4,000 nautical miles, saves about 14% fuel consumption per seat compared to the Airbus A330ceo.
	Incorporates wingtip design and increased wingspan in aircraft design.	
A350-900	Utilizes new composite materials in 70% of the airframe, effectively reducing aircraft weight.	Saves 25% fuel compared to similar aircraft and reduces noise by 20%

Highlights of Carbon Reduction Measures in Aircraft Operations - Contingency Fuel Optimization

Achievements in 2023:

- Weight Reduction Benefits: 159,432.00 kg
- Fuel Savings: 36,615.96 kg of fuel
- Carbon Reduction from Weight Reduction: 115,706.44 kg of CO
- Performance Indicator Achievement Rate: 99.89% across all flight segments
  Note: Contingency Fuel refers to the fuel reserved for unexpected situations.

According to the "Aircraft Flight Operations Management Regulations" Article 66 of the Civil Aviation Administration and the ICAO ANNEX 6 regulations, an application was submitted to the competent authority to adjust the contingency fuel amount from the approved "5% of en-route fuel" to "3% of en-route fuel." To verify the feasibility of this adjustment, the company conducted tests in 2021, emphasizing that flights are operated with the highest safety standards. In our self-assessment performance indicator, the company raised the standard so that the remaining fuel for each flight would not be less than the sum of the reserve fuel and 3% of en-route fuel. From January to September 2021, out of 1,888 flights, only 2 flights had to alter their route due to abnormal weather conditions, causing a slight deviation from the performance indicator. The achievement rate for meeting the performance indicator was 99.89%.

Highlights of Carbon Reduction Measures in Aircraft Operations - RVSM Optimization

- Fuel Savings: 21,198,000.00 kg of fuel

- Carbon Reduction Benefits: 66,986,000.00 kg of CO_2

Note: RVSM (Reduced Vertical separation Minima, RVSM) refers to the reduction of vertical separation standards from 2,000 feet to 1,000 feet between FL290 and FL410, aimed at increasing airspace capacity, enhancing airline operational efficiency, and reducing airspace control pressures.

STARLUX takes sustainable practices and Earth stewardship seriously. By leveraging the reduced air resistance at higher altitudes through RVSM operations, flights can operate in higher airspace layers, thereby reducing fuel consumption. This initiative is part of our commitment to sustainability and environmental protection. Through a rigorous five-stage review process by the Civil Aviation Administration, the company ensure the safety and sustainability of STARLUX flights.

5.2 Environmental Protection and Sustainable Resource Circulation

5.2.1 Waste Management System

The waste generated by STARLUX mainly originates from "internal operational activities", including office activities and aircraft operations. General waste generated from various office and operational activities (e.g., employee household waste, scrap metal cans, plastic waste, and paper waste) and general industrial waste (e.g., waste oil, pallets, and used tires) are either returned by suppliers or handled by third-party waste collectors. Hazardous industrial waste (e.g., waste batteries) is returned and managed by suppliers. Food waste and waste cooking oil generated from in-flight services are collected and processed by third-party waste collectors. These activities have no significant impact on the surrounding environment and society.

Waste Value Chain Flow Chart

Waste Value Chain Management

Management of Waste from Internal Operations	• The garbage bins in the office pantry are divided into categories for general household waste and recyclable materials (such as paper, plastic, and aluminum cans). • Approved waste collection contractors authorized by the Ministry of the Environment are entrusted to carry out collection and recycling operations. • General business waste and hazardous business waste generated from operations are either self-transported by suppliers for disposal or handled by contracted waste collection companies. • After use, the bins for food waste and waste cooking oil must be covered, and authorized processing organizations approved by the competent authority are commissioned to ensure effective management and legality of the final disposal.
Management Method of Waste Collection Contractors	STARLUX tracks and manages waste contractor's behavior using their provided route reports. In 2023, no illegal dumping or violations by haulers were found. Future audits will continue to maintain the zero-violation waste management goal.

5.2.2 Waste Generation

STARLUX's waste primarily consists of general and industrial waste. In 2023, total waste generation was 421.22 tons, a 112% increase from 198.34 tons in 2022. Waste intensity decreased by 68%. This increase is due to incomplete 2022 records and operational growth, including new facilities. General waste, mainly from office activities, accounted for 76.84% of total waste, up 130% from last year. Industrial waste comprised 23.16%, with food waste being 90.64% of this category. A small amount of hazardous waste came from battery replacements.

Waste is primarily handled by qualified third-party contractors or returned to suppliers for processing, with no on-site treatment. All waste is properly recycled. Future plans include monitoring waste trends and gradually increasing recycling rates to minimize operational environmental impact.

Waste Generation for 2022 and 2023

Item	2022 Generation (tons)	2022 Proportion (%)	2023 Generation (tons)	2023 Proportion (%)	Annual Growth Rate (%)
General Waste	140.44	70.81%	323.69	76.84%	130.48%
General Industrial Waste	57.90	29.19%	97.53	23.16%	68.45%
Hazardous Industrial Waste	—	—%	—	—%	-
Total Waste	**198.34**	**100.00%**	**421.22**	**100.00%**	**112.37%**
Waste Intensity (metric tons per million revenue)	**0.06**		**0.02**		

Note: The intensity metric uses STARLUX's annual net operating revenue in millions.

Waste Generation and Intensity for 2022 and 2023
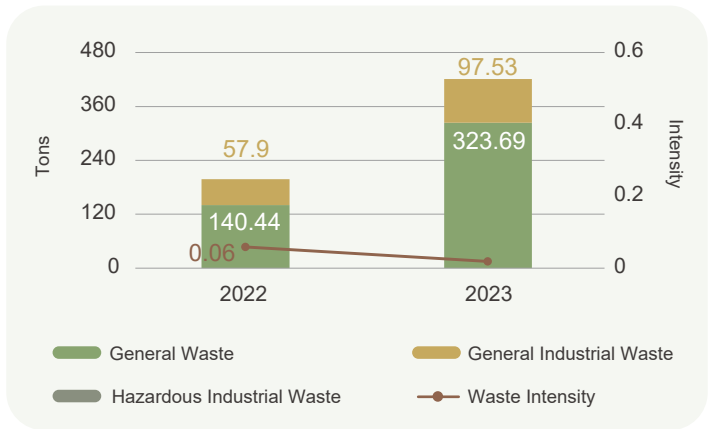
Final Disposal Methods of Waste by Specific Category

| Type of Waste	Waste Type Name	Generation of Waste (tons)					Disposal Method	
		2022		2023			Outsourced/On-Site Processing	Disposal Method
		Generation (tons)	Proportion (%)	Generation (tons)	Proportion (%)	Annual Growth Rate (%)		
General Waste (Non-recyclable)	Household Waste	140.44	70.81%	274.49	65.16%	95.44%	Outsourced Third-Party Processing	Thermal Treatment Incineration (excluding energy recovery)
General Waste (Recyclable)	Recyclable Resources (Wastepaper, Waste Iron and Aluminum, Waste Plastic, Waste Glass)	0.00	—%	49.20	11.68%	-	Outsourced Third-Party Processing	Recycling
General Industrial Waste	Food Waste	48.40	24.40%	88.40	20.99%	82.64%	Outsourced Third-Party Processing	Recycling
	Waste Oil	0.30	0.15%	1.48	0.35%	392.00%	Outsourced Third-Party Processing	Recycling
	Waste Wooden Pallets	9.20	4.64%	6.93	1.65%	(24.63)%	Outsourced Third-Party Processing	Recycling
	Scrapped Items (Expired Aircraft Spare Parts and Consumables)	0.00	—%	0.72	0.17%	-	Outsourced Third-Party Processing	Recycling
Total		198.34	100.00%	421.22	100.00%			

Note 1: STARLUX treats waste through thermal incineration (controlled burning) and recycling (reprocessing into new materials).

Note 2: Waste data collection covers: Taipei Headquarters, STARLUX Flagship Store, Taichung office (opened August 2023), and Taoyuan International Airport facilities (logistics center, terminal offices, apron offices, service factory, bonded warehouse, maintenance hangar, and FTZ Cargo Terminal).

Note 3: Taoyuan Logistics Center's waste is estimated from fixed-rate contracts, including recycling. For other locations (airport offices, factories, warehouses, STARLUX Flagship Store, and Taichung office), waste is managed by airport or building authorities without data. These are estimated using the Environmental Ministry's average daily waste per person (1.32 kg in 2022; 1.38 kg in 2023).

Note 4: Recycling weight is from airport-controlled areas. In 2022, due to low volume, no data was collected. 2023 figures represent actual recycling collection weights.

Note 5: Food waste collection records began in June 2022. The 2022 food waste amount is estimated based on collection fees.
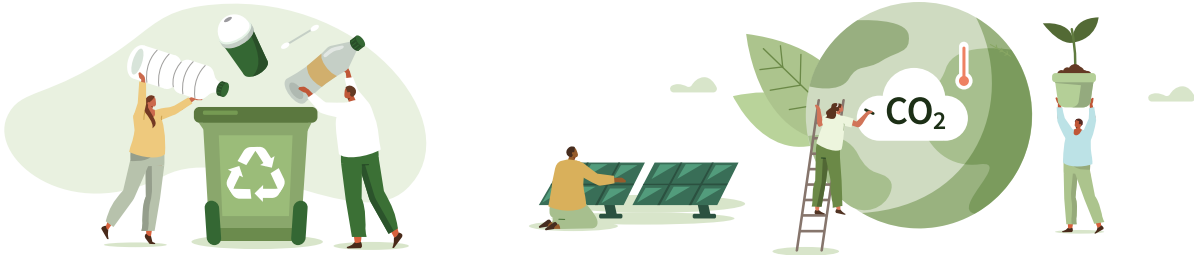
Total Quantity Classified by Final Disposal Method

Waste Categories	Hazardous Waste				Non-Hazardous Waste				Total Processing Quantity			
	2022		2023		2022		2023		2022		2023	
	Processing Quantity (tons)	%	Processing Quantity (tons)	%	Processing Quantity (tons)	%	Processing Quantity (tons)	%	Processing Quantity (tons)	%	Processing Quantity (tons)	%
Disposal Transfer (Reuse, Recycling)	—	-	—	-	57.90	29.19%	146.73	34.84%	57.90	29.19%	146.73	34.84%
Direct Disposal (Incineration, Landfill, Chemical Treatment)	—	-	—	-	140.44	70.81%	274.49	65.16%	140.44	70.81%	274.49	65.16%
Total Quantity	—	—%	—	—%	198.34	100.00%	421.22	100.00%	198.34	100.00%	421.22	100.00%

5.2.3 Waste Reduction and Material-Friendly Actions

STARLUX implements the 5R principle (Refuse, Reduce, Reuse, Recycle, Rethink) for sustainability. This applies to office supplies, employee cafeterias, and in-flight services to minimize single-use waste. The airline prioritizes recyclable materials and partners with eco-conscious suppliers for in-flight items. Regular internal announcements promote plastic reduction and environmental awareness among staff, encouraging company-wide waste reduction efforts.

Waste Reduction and Material-Friendly Actions Based on the 5R Principle	Action Plan
Refuse	• Procurement of office supplies (copy paper and cleaning agents) prioritizes products with environmental certifications.
Reduce	• The employee cafeteria does not provide disposable tableware, encouraging colleagues to bring their own eco-friendly utensils. • Measures are implemented to control and reduce food waste on board flights. • Office pantry provides reusable mugs to reduce the use of disposable products. • Introduction of electronic air cargo waybills to digitize operations and reduce paper usage.
Reuse	• Economy class blankets are made from recycled materials such as oyster yarn and PET bottles. • Handles of STARLUX Shop's tote bags are made from recycled cargo trolley wheels. • Employee cafeteria opts for recyclable plastic utensils, which are sterilized at high temperatures for reuse.
Recycle	• Food waste and waste cooking oil are collected for pig feeding or sent to grease recycling plants. Recyclable materials such as paper, plastic, and metal are sent to recycling plants for reuse. • In-flight service items prioritize recyclable materials, paper, or recycled raw materials for packaging and materials. • Business class headphones are labeled "cleaned" using recyclable adhesive stickers. • Printing ink selection favors environmentally friendly soy-based inks.
Rethink	• Educating colleagues on environmental protection concepts and providing regular information and training on sustainable procurement, moving towards the comprehensive use of sustainable materials.

STARLUX adheres to the 5R principle, implementing packaging reduction measures and decreasing single-use plastic usage across in-flight items and general packaging. The airline prioritizes recycled and recyclable materials, collaborating with suppliers to introduce eco-friendly alternatives. In 2023, STARLUX increased recyclable plastic usage by 0.10% and recycled plastic usage by 0.05%, meeting its annual targets. By consistently applying the 5R principle, the company aims to create a low-carbon environment and enhance passenger service quality. STARLUX targets 50% recycled and certified packaging materials by 2024 and will continue monitoring usage to develop comprehensive reduction strategies, supporting ongoing waste reduction efforts.

Usage of Non-Plastic Packaging for In-Flight Service Items and Retail Products in 2023

Types of packaging materials	Total packaging weight (tons)	Proportion of recycled and certified materials	Annual goal
Wood and paper fiber packaging materials	6.34	8.00%	50.00%
Metal (tin foil) packaging materials	—	—%	—%
Glass packaging materials	—	—%	—%

Note: Recycled/certified material percentage = Weight of recycled/certified materials / Total packaging weight.

Percentage of Plastic Packaging Types Used in 2022 and 2023

Item		2022	2023
Plastic Packaging	Plastic Packaging Weight (tons)	3.00	4.00
	Percentage of Plastic Packaging Purchases (%)	0.10%	0.20%
	Percentage of Recyclable Plastic (%)	0.05%	0.10%
	Percentage of Recycled Plastic (%)	0.35%	0.40%

Note: Recyclable plastic % = Weight of recyclable plastic / Total plastic packaging weight; Recycled plastic % = Weight of recycled plastic / Total plastic packaging weight.

Waste Reduction Highlights

STARLUX is committed to environmental friendliness. We design products using eco-friendly materials, combining service items with recyclable materials to give new value to recycled materials.

Reuse	Cabin Blankets	Made from oyster yarn (multiple shell recycling materials) and PET bottles.
	Cargo Straps & Tote Bags	Regulations require cargo straps to be replaced every three years. After the pandemic, many straps were still in good condition but had to be destroyed due to expiration. STARLUX took initiative by repurposing these expired straps, combining them with canvas to create attractive, practical, and eco-friendly tote bags.
Reduce	Local Ingredients	STARLUX partnered with Michelin-starred restaurants to create innovative meals using seasonal Taiwanese ingredients like local black pork and lemongrass. This reduces transportation, minimizes packaging due to freshness, and lowers carbon footprint, supporting environmental sustainability.

◆ Cargo Straps & Tote Bags

◆ Cabin Blankets

◆ Local Ingredients

5.2.4 Water Resource Management

Water Resource Risk Assessment

Extreme weather has led to uneven global rainfall distribution, with unprecedented frequency and severity of storms, floods, and droughts. This, coupled with water scarcity and irreplaceability, impacts daily life, businesses, and supply chain stability. The United Nations' Sustainable Development Goals 6 (SDGs 6), "Clean Water and Sanitation," emphasizes water as crucial for achieving other SDGs. Thus, water risk management has become an essential aspect of business operations.

To assess water risks at its locations, STARLUX used the World Wildlife Fund's Water Risk Filter Suite online tool. Results showed all sites are in low to medium water stress areas. The airline will continue annual tracking and evaluation to avoid potential impacts on local communities and ecosystems from its water usage.

Water Usage and Disposal at Operational Sites

City	Operational Site	Main Water Source	Water Intake Catchment Area	Wastewater Treatment Facility	Wastewater Treatment Grade	Receiving Water Body for Discharge	Discharge Standards		Water Resource Pressure
Taipei	Headquarters	Third-party Water Source	Feitsui Reservoir	Neihu Wastewater Treatment Plant	Secondary Treatment	Keelung River (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	
	STARLUX Shop	Third-party Water Source	Feitsui Reservoir	Dihua Wastewater Treatment Plant	Secondary Treatment	Danshui River (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	
Taoyuan	Taoyuan Flight Operations Center　Farglory Cargo Transportation Office	Third-party Water Source	Shimen Reservoir	Wastewater Pumping Station at the Evergreen Free Trade Zone, sending to Taoyuan Airport Wastewater Treatment Plant	Secondary Treatment	Nankan Creek (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	

City	Operational Site	Main Water Source	Water Intake Catchment Area	Wastewater Treatment Facility	Wastewater Treatment Grade	Receiving Water Body for Discharge	Discharge Standards		Water Resource Pressure
Taoyuan	Terminal 1 Office Terminal 2 Office	Third-party Water Source	Shimen Reservoir	Taoyuan Airport Wastewater Treatment Plant	Secondary Treatment	Nankan Creek (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	
	Taoyuan Airport, Bonded Building, Maintenance Hangar	Third-party Water Source	Shimen Reservoir	Operational Sites with Self-owned Wastewater Treatment Facilities	Primary Treatment	Nankan Creek (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	
Taichung	Farglory Cargo Transportation Office	Third-party Water Source	Deiji Reservoir	Futian Water Resources Center	Secondary Treatment	Han Creek (Surface Water Class III Water Body Segment)	pH	6~9	Medium-Low (10% to 20%)
							COD(mg/L)	<100	
							BOD(mg/L)	<30	
							SS(mg/L)	<30	

Note 1: Water Zone and Water Source Search (https://gic.wra.gov.tw/gis/)
Note 2: Water Stress Area Search (https://riskfilter.org/water/explore/map)
Note 3: Discharge standards reference the Environmental Protection Administration's 2019 "Effluent Standards" (Appendices 14 and 15 for public and building sewage systems) and Taoyuan International Airport's 2022 Sustainability Report (P.83).

Water Conservation Initiative

STARLUX prioritizes water conservation, analyzing risks and tracking usage. The company has implemented rainwater collection systems, sensor faucets, and plan to use recycled water in their new campus for cleaning, dust suppression, irrigation, cooling, and car washing. These measures align with their policy to increase supply and reduce demand.

Future plans include water footprint assessment and water recycling, coupled with source development and improved management, to optimize water resource utilization.

Water Conservation Performance

Policy	Relevant Management Strategies and Measures
Developing Water Sources	• Installation of rainwater harvesting systems in buildings for irrigation of landscaping and plants.
Water Conservation	• Comprehensive adoption of water-saving appliances with water conservation labels in buildings. • Timely adjustment of water flow rates in sensor-operated faucets in restrooms to reduce water consumption. • Conversion of dual-flush toilets to single-flush mode to minimize water usage.
Enhanced Management	• Avoidance of extensive water-intensive cleaning operations during dry seasons (November to April each year).

5.2.5 Water Intake, Consumption, and Discharge

STARLUX sources water from third-party suppliers for all locations. Water is used for office staff, employee cafeterias, vehicle washing, beverage products, and aircraft cleaning. Total water withdrawal in 2023 was 111.63 million liters, a 33% increase from 2022's 84.00 million liters. This rise is due to expanding operations and increased staff, leading to higher water demand in offices and cafeterias. However, water withdrawal intensity decreased by 0.80 compared to 2022.

Water Usage and Water Intake Density from 2022 to 2023

Unit: Megalitre

Water Usage Category	Destination Classification for Water Intake/Discharge	2022	2023
Water Intake	From rainwater harvesting, rivers, lakes	—	—
	From groundwater	—	—
	From water supplied by water companies, municipal water supply, wastewater treatment plant supply	84.00	111.63
	Total Water Intake	84.00	111.63
Water Discharge	Discharged into rivers, glaciers, lakes, swamps	—	—
	Discharged into groundwater	—	—
	Discharged into wastewater treatment plants	23.62	22.30
	Total Discharge	23.62	22.30
Water Consumption	Total Water Consumption	60.37	89.33
Water Intensity (megalitre/million revenue)		0.02	0.005

Note 1: All water sources for all STARLUX locations are not situated in high water stress areas.

Note 2: Water usage data covers: Taipei Headquarters, STARLUX Flagship Store, Taichung office (opened August 2023), and Taoyuan International Airport locations (Taoyuan Flight Operations Center, Terminal 1 and 2 offices, apron offices, service factory, bonded warehouse, maintenance hangar, and FTZ Cargo Terminal).

Note 3: FTZ Cargo Terminal water usage is estimated based on daily per-person consumption and staff numbers. Calculation: (Total work hours / Daily work hours) * Daily per-person water use. The per-person daily water use reference is based on the average for government offices, as per the Water Resources Agency's 2022 guidelines for water conservation in institutions and schools.

Note 4: Sewage from Taipei Headquarters, STARLUX Flagship Store, and Taichung office enters public sewers. At Taoyuan International Airport, except for the bonded warehouse and maintenance hangar, sewage is managed by the airport or self-treated if below legal standards. Without discharge records and mainly office-type operations, effluent is estimated at 80% of water intake, based on the Construction and Planning Agency's 2021 guidelines for domestic wastewater treatment plants.

Note 5: The intensity metric uses STARLUX annual net operating revenue in millions.

Total Water Intake and Rainwater Intensity Trends from 2022 to 2023
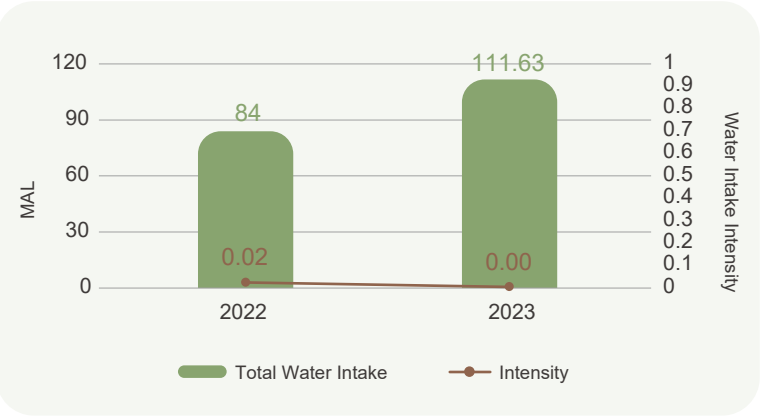
Water Resource Usage Trends from 2022 to 2023
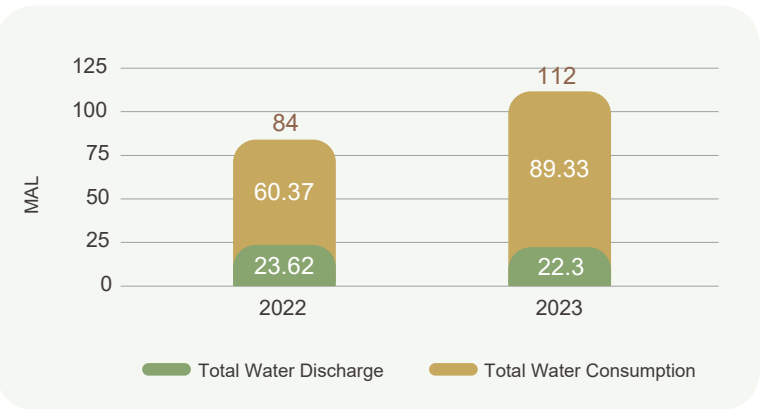
5.2.6 Wastewater Discharge

To minimize ecological impact, sewage from Taipei Headquarters, STARLUX Flagship Store, and offices is treated at public facilities before discharge into nearby water bodies. At Taoyuan International Airport and FTZ Cargo Terminal, STARLUX operations wastewater enters dedicated sewage systems, undergoes secondary treatment at the airport plant, and is released into Nankan Stream.

The bonded warehouse, maintenance hangar, and service factory at Taoyuan International Airport have their own wastewater treatment systems, discharging into Nankan Stream after treatment. STARLUX regularly tests wastewater for suspended solids, biochemical oxygen demand, chemical oxygen demand, and pH through certified professionals. The bonded warehouse and maintenance hangar undergo third-party water quality tests semi-annually, with 2023 results meeting all regulatory standards.

Wastewater Testing Results and Local Discharge Standards for the Period 2022 to 2023

Locations		Customs Building		Maintenance Hangar		Local Standard Value
		2023		2023		
Water Quality Standards		June	October	July	October	
Water Temperature	(°C)	27.30	28.50	29.80	28.10	Below 38 (May to September) Below 35 (October to April)
pH	—	8.10	8.00	6.70	6.90	6.~9.
Biochemical Oxygen Demand (BOD)	(mg/L)	—	—	6.10	7.40	30
Chemical Oxygen Demand (COD)	(mg/L)	66.40	42.50	26.40	23.20	100
Suspended Solids (SS)	(mg/L)	12.70	15.40	3.40	3.10	30
Coliform Bacteria	(CFU/100mL)	—	—	4.8×10^2	6.0×10^4	2×10^5
Oil and Grease	(mg/L)	<0.50	1.30	<0.50	1.60	10
Anionic Surfactants	(mg/L)	0.28	0.36	0.27	0.25	10

Note 1: The discharge water quality standards are based on the "Discharge Water Standards for Building Wastewater Treatment Facilities (Appendix 15)" issued by the Environmental Protection Administration of the Executive Yuan on April 29, 2019.
Note 2: Values exceeding the statutory standards are indicated in "gray background."
Note 3: Wastewater discharge and water quality testing for the Bonded Building and Maintenance Hangars commenced in 2023.

5.2.7 Air Pollution and Noise Control

STARLUX addresses environmental concerns by using aircraft that meet ICAO and FAA noise standards, reducing noise by 16-22 decibels compared to older models and adhering to airport noise control measures. The company also filters exhaust from paint booths in maintenance facilities and regularly maintains filtration equipment to reduce air pollution. These actions demonstrate STARLUX's commitment to minimizing environmental impact and creating a low-pollution environment, while maintaining comfort for both airport vicinity residents and passengers.

Estimation of Aircraft Air Pollutant Emissions from 2022 to 2023

	Item	2022	2023
NOx	Emissions (tons)	48.788	172.738
	Passenger - Emission efficiency (g/RPK)	0.043	0.023
	Cargo - Emission efficiency (g/FTK)	0.462	0.189
	Overall - Emission efficiency (g/RTK)	0.469	0.247
SOx	Emissions (tons)	4.486	14.005
	Passenger - Emission efficiency (g/RPK)	0.004	0.002
	Cargo - Emission efficiency (g/FTK)	0.043	0.015
	Overall - Emission efficiency (g/RTK)	0.043	0.020
CO	Emissions (tons)	15.878	64.140
	Passenger - Emission efficiency (g/RPK)	0.014	0.009
	Cargo - Emission efficiency (g/FTK)	0.150	0.070
	Overall - Emission efficiency (g/RTK)	0.153	0.092
HC	Emissions (tons)	0.205	1.537
	Passenger - Emission efficiency (g/RPK)	0.000	0.000
	Cargo - Emission efficiency (g/FTK)	0.002	0.002
	Overall - Emission efficiency (g/RTK)	0.002	0.002

Note 1: Emission data is calculated according to the methodology outlined in the ICAO Airport Air Quality Manual, using emission factors based on Landing Take Off Cycle (LTO) for each aircraft type.

Note 2: Emission data for nitrogen oxides (NOx), hydrocarbons (HC), and carbon monoxide (CO) for each aircraft engine are sourced from the ICAO Aircraft Engine Emissions Databank (https://www.easa.europa.eu/domains/environment/icao aircraft engine emissions databank); sulfur oxides (SOx) emission factors are referenced from the emission factors recommended by the US Environmental Protection Agency (US EPA) (https://www.epa.gov/sites/default/files/2016 04/documents/nei2014_genericef_table.pdf).

5.2.8 Taoyuan Aerotropolis - Building the STARLUX Airlines Sustainable Park

In the future, STARLUX will develop a smart, green, and low-carbon campus in Taoyuan Aerotropolis. The plan includes installing smart streetlights and solar power storage systems to optimize energy savings and reduction. The goal is to meet at least the Silver level of Taiwan's Green Building standards.

Taiwan Green Building (Silver Level) & Building ESG	STARLUX's new headquarters aims for Taiwan's Green Building Silver certification. The project incorporates ESG principles throughout its lifecycle, focusing on sustainable materials, resource recycling, waste management, smart building features, and green procurement.
Solar Energy Photovoltaic Energy Storage System	The office building and public spaces, including streetlights, will feature integrated solar panels. These will be incorporated into the building and parking lot designs, providing energy storage, heat insulation, and shading. The system will also be capable of exchanging power with the city grid.
Smart Streetlight System for the Park	In addition to automated scheduling control, features such as remote real-time control, automatic dimming, and status reporting of streetlights are added to reduce the need for manpower and energy consumption in management.

5.3 Climate Change Response

Disclosure Content	Item	Content
Policy and Commitment	Policy	With climate change intensifying globally, businesses must address mitigation and adaptation. STARLUX has adopted the TCFD framework to assess climate-related risks and opportunities across our value chain. This approach evaluates impacts on our operations, suppliers, and customers, improving our climate-related financial disclosures and stakeholder communication. Proper management of climate risks is crucial for maintaining operational continuity.
	Commitments	
Action Plan	Positive Impact Management	The company implements preventive measures for potential climate-related operational risks and opportunities, enhancing our climate resilience and adaptive capacity. This approach aims to minimize the impact of climate change on our business while effectively addressing disclosure requirements from government agencies and investors.
	Negative Impact Management	Delayed climate change assessment and action may lead to ineffective responses, risking prolonged operational disruptions and resulting in human and financial losses.
Effectiveness Evaluation	Qualitative	• From 2023, gradually implementing the Task Force on Climate-related Financial Disclosures (TCFD) framework. • July 2023: Established Operations Control Center (OCC) to manage emergencies like typhoons and flight changes. OCC handles flight rescheduling, passenger notifications, and incident reviews, ensuring swift responses to unexpected events.
Goal	Short-Term Goal	Implementing Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis and quantification to identify financial impact factors and assess financial risks.
	Medium to Long-Term Goal	Utilizing the TCFD to identify significant risks and opportunities, please refer to section "5.3.4 Indicators and Goals."
Complaint Mechanism	Responsible Unit	Sustainability Committee
	Contact Information	Dedicated Email: esg@starlux-airlines.com
	Reporting Mechanism	Through tracking and reviewing energy usage, conducting annual greenhouse gas inventories and assurance operations, and tracking and reviewing carbon reduction goals, carbon reduction strategies and policies will be updated in a timely manner.

5.3.1 Climate Governance

The World Economic Forum's 2023 Global Risks Report identified "Failure of climate change mitigation" and "Failure of climate change adaptation" as the most severe potential risks for the next decade, highlighting the global lag in carbon reduction efforts. As global warming intensifies extreme weather events, risks like extreme rainfall are becoming key potential threats to business operations. Addressing climate change is now crucial for sustainable business management.

As an emerging international airline, our company proactively addresses potential risks from climate change. We develop management strategies and actions to deal with extreme weather, enhancing climate resilience and moving towards low-carbon operations.

Board of Directors

The Board of Directors, as the highest climate governance body, drives climate-related strategies, aiming for an efficient, energy-saving airline while overseeing climate action implementation. They determine climate commitments and targets, discussing risk-opportunity trends and proposing strategies for key climate risks. The Board's "Corporate Sustainability Committee," chaired by the CEO, meets at least twice yearly to report on sustainability strategies and project outcomes. In 2023, the Committee reported on climate change-related issues like Sustainable Aviation Fuel (SAF), carbon markets, taxes, credits, and fees.

Corporate Sustainability Committee

In May 2023, a Corporate Sustainability Committee was established, chaired by the CEO, to strengthen management and identification of climate-related risks and opportunities. The committee meets annually to discuss key climate issues and reports to the Board. Its responsibilities include implementing Board-approved climate risk management policies and goals, regularly reviewing climate risk issues and response plans submitted by the TCFD Working Group, and overseeing climate action progress across operational sites and departments. The committee also helps communicate and integrate the airline's climate governance status.

The Task Force on Climate-related Financial Disclosures (TCFD) Working Group

To mitigate climate change impacts and understand key risks and opportunities, an integrated TCFD Working Group was established under the Corporate Sustainability Committee. This group, comprising various departments, collects climate research from international authorities, assesses industry trends, and compiles climate issues faced by different departments. The Working Group aims to enhance the airlines climate resilience by actively addressing and managing current trends, thereby reducing the company's vulnerability to climate-related financial impacts.
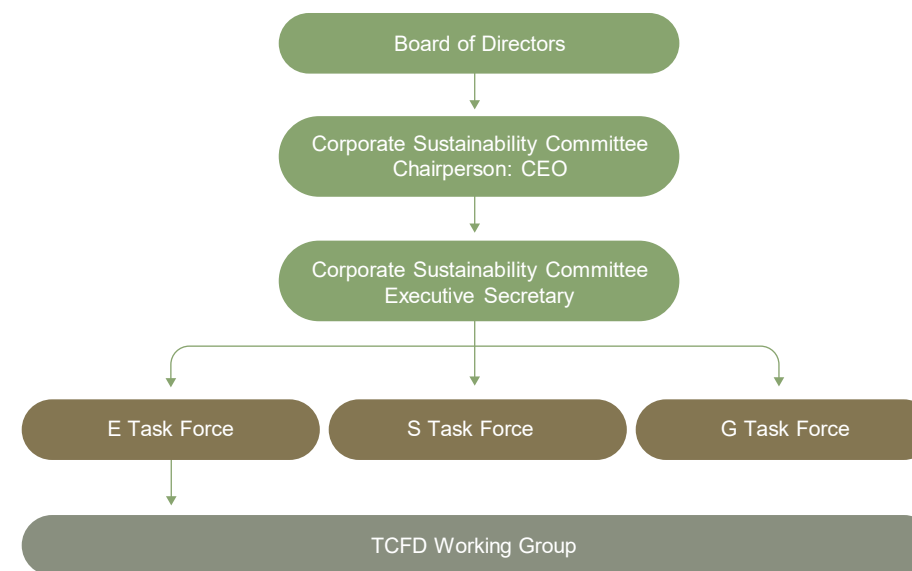
5.3.2 Climate Risk Management

STARLUX has established "Sustainable Development Practices Guidelines" and "Risk Management Procedures" to address key climate opportunities and risks. These documents outline the company's approach to evaluating climate change impacts, conducting greenhouse gas inventories, and implementing energy conservation and carbon reduction policies, including carbon credit acquisition. The Corporate Sustainability Committee, through its TCFD Working Group, annually collects industry sustainability reports, CDP climate questionnaires, and aviation service trends. The Working Group interviews relevant units to assess climate issues' impact and likelihood, identifying key annual climate risks and opportunities for STARLUX. These findings are then reported to the Corporate Sustainability Committee and ultimately to the Board of Directors for strategic decision-making, ensuring a comprehensive approach to climate-related challenges and opportunities in the airline's operations.

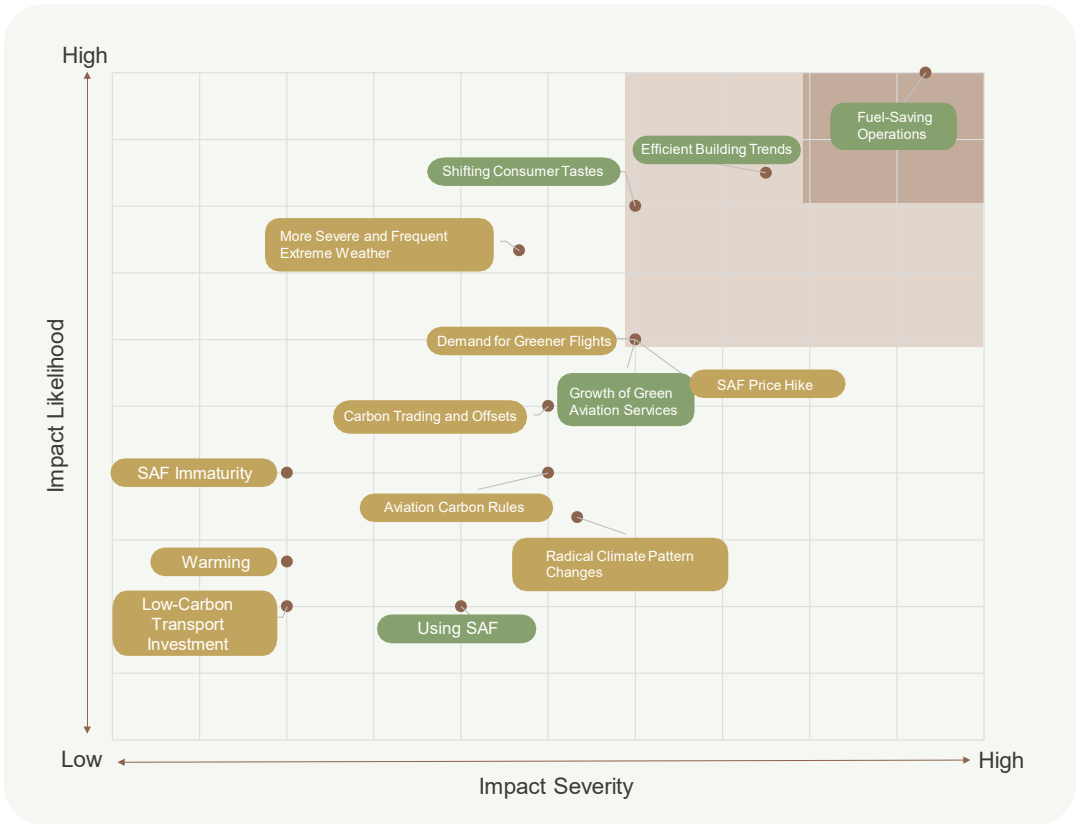| Gathering Issues	Identifying Risks and Opportunities	Formulating Response Measures	Tracking and Management
• TCFD Guidelines • Industry CDP Questionnaires • Industry Sustainability Reports • Trends in the Aviation Service Industry	• Conduct interviews with various units. • Each unit assesses the likelihood and impact of risks and opportunities and estimates their effects at short-term (0 to 3 years), medium-term (3 to 10 years), and long-term (>10 years) timeframes to formulate short, medium, and long-term response strategies.	• The Corporate Sustainability Committee integrates the analysis results of key climate risks and opportunities into the overall operational and risk management strategies of the company. They discuss and develop corresponding measures and goals with various departments and offices in charge.	• The Corporate Sustainability Committee and its TCFD Task Force regularly or irregularly monitor and review the progress of response measures, closely tracking climate issues in response to changes in the internal and external environment to ensure the effectiveness of response measures in a dynamic environment. • Each responsible unit submits an annual report on goal attainment to the TCFD Task Force. • Responsible units hold regular meetings to review progress toward goals.
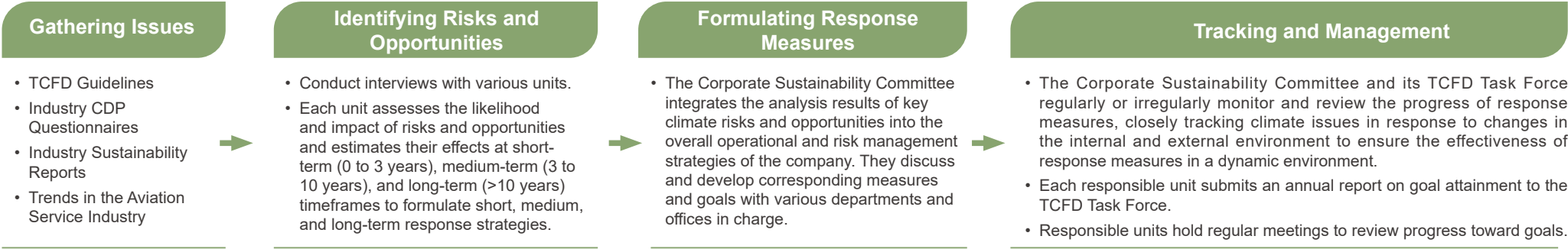
5.3.3 Climate Change Response Strategy

In 2023, STARLUX identified 14 climate-related risks and opportunities relevant to the company, based on its development strategy, aviation industry characteristics and trends, regulatory trends, and geographical features. These include 6 transition risks, 3 physical risks, and 5 climate opportunities.

The TCFD Wording Group assessed 14 climate issues, creating a materiality matrix based on departmental interviews and impact evaluations. The analysis identified one high-priority opportunity: enhancing fuel-efficient operations. Additionally, two moderate-risk areas (increased sustainable fuel costs and consumer preference for low-carbon flights) and three moderate opportunities (more efficient buildings, changing consumer preferences, and developing low-carbon aviation services) were highlighted. The company plans to analyze impacts and develop strategies for these key areas, with regular progress reports to the Corporate Sustainability Committee.

Climate Risk and Opportunity Identification Matrix Chart

Assessment of Climate Risks and Opportunities

	Climate Risk Type		Risk Description	Impact Timeline	Value Chain Impact
Transformation Risks	Policies and Regulations	Regulation of carbon emissions in the aviation industry	• Conduct carbon monitoring, reporting, and verification operations according to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), increasing manpower and external verification costs.	Short-term	Internal Operations
		Carbon emissions trading and reduction mechanisms	• Adhere to the CORSIA goal of achieving net-zero emissions by 2050. • Implement carbon levies and offsetting mechanisms, leading to increased operational costs.	Short-term	Internal Operations
	Technology	Immaturity of the Sustainable Aviation Fuel (SAF) value chain	• Limited infrastructure for the production and storage of Sustainable Aviation Fuel (SAF), as well as a lack of recognized production standards and related measures.	Medium-term	Upstream Supply Chain, Internal Operations
		Capital investment in transportation services using low-carbon technology	• Continued investment in low-carbon aircraft development by the aviation manufacturing industry, impacting future aviation power designs; the company commits more capital expenditure to introducing more fuel-efficient and carbon-reducing aircraft models and fleets.	Short-term	Internal Operations
	Market	Rising costs of sustainable fuel	• Increasingly stringent regulations on sustainable fuel use globally, coupled with rising demand, leading to higher production costs for SAF, surpassing those of traditional jet fuel, resulting in increased fuel raw material costs.	Medium-term	Upstream Supply Chain, Internal Operations
	Reputation	Consumer preference for low-carbon flying	• Consumers consider climate change adaptation measures when traveling; corporate clients are mindful of carbon emissions from business travel and are more inclined to choose flights with lower carbon footprints. Failure to meet consumer demands may result in reduced revenue.	Medium-term	Internal Operations, Downstream Customers
Physical Risks	Acute	Increased severity and frequency of extreme weather events like typhoons and floods	• Extreme weather events like typhoons and floods cause flight delays or cancellations, increased flight times, resulting in additional costs such as passenger rebooking, flight crew scheduling, and increased fuel usage. • Damage to infrastructure such as aprons and runways due to extreme weather.	Short-term	Upstream Supply Chain, Internal Operations, Downstream Customers
	Chronic	Rising average temperatures	• High temperatures reduce aircraft lift during takeoff, affecting aircraft performance and imposing limitations on maximum takeoff weights, leading to reduced revenue. • Increased fuel costs to maintain cabin air conditioning comfort.	Long-term	Upstream Supply Chain, Internal Operations, Downstream Customers
	Chronic	Changes in rainfall (water) patterns and long-term extreme climate variations	• More frequent and intense rainfall affects flight paths and flight operations, potentially leading to flight cancellations, delays, and diversions due to safety concerns. • Prolonged rainfall reduces equipment lifespan, leading to increased equipment and maintenance costs.	Long-term	Upstream Supply Chain, Internal Operations, Downstream Customers
Physical Risks	Products and Services	Development and/or expansion of low-carbon aviation services	• Lightweight Unit Load Devices (ULDs) are employed to reduce payload; pre-selection of meals and waste management reduce resource consumption and food wastage. • Implementation of systems to calculate carbon emissions per flight, reducing fuel usage while lowering greenhouse gas emissions.	Short-term	Internal Operations
		Changes in consumer preferences	• Procurement of next-generation aircraft models with high fuel efficiency and noise reduction to meet consumer demand for low-carbon travel and to establish brand image.	Medium-term	Internal Operations, Downstream Customers

Climate Risk Type			Risk Description	Impact Timeline	Value Chain Impact
Physical Risks	Energy Sources	Use of Sustainable Aviation Fuel (SAF)	• Participation in collaborations related to Sustainable Aviation Fuel (SAF), attending aircraft manufacturer conferences to promote SAF commercialization, ensuring stable supply and reasonable purchasing costs of sustainable fuel.	Medium-term	Upstream Supply Chain, Internal Operations
	Resource Efficiency	Operational models for improving fuel efficiency	• As a newly established global airline, possessing the latest and most energy-efficient aircraft models and fleets, offering competitive advantages over peers. • Establishment of fuel-saving teams to regularly discuss fuel-saving schemes, outlining specific plans to reduce fuel procurement costs and potential carbon levies and offsetting costs.	Short-term	Internal Operations
		Moving towards more efficient buildings	• Evaluation of smart green building designs for the new headquarters, incorporating renewable energy facilities. • Accessing preferential interest rates by meeting the financing conditions for obtaining the Taiwan Green Building Silver Certification.	Medium-term	Internal Operations

Major Climate Risks, Opportunities, and Response Measures

Top Three Climate Risks and Opportunities			
Category	Risk or Opportunity Issues	Potential Financial Impact Explanation	STARLUX Response Strategies
Resource Efficiency Enhancement	Opportunities	Enhancing fuel efficiency in operational modes	Reduction in operating costs Increase in operating revenue	• Provide a comprehensive fuel management plan to the Civil Aviation Administration, approved by the authority to reduce contingency fuel carried, thereby reducing fuel load and consumption, while increasing payload and consequently increasing operating revenue. • Through cross-departmental collaboration, include all routes in the application for Reduced Vertical Separation Minimum (RVSM) operations, increasing cruising altitude to reduce air resistance and avoid turbulence, thereby reducing fuel consumption.
	Opportunities	Transitioning towards more efficient buildings	Increase in capital expenditures. Reduction in operating costs	• Construct a new headquarters with the goal of achieving Taiwan's Green Building Silver certification and architectural energy efficiency design principles and obtain preferential rates for ESG sustainable development loans. • Plan to install solar photovoltaic energy storage systems to achieve carbon reduction while maintaining stable power supply.
Consumer Preferences	Opportunities	Changing consumer preferences	Increase in operating revenue	• Continuously introduce more fuel-efficient aircraft models compared to previous generations to reduce fuel usage and carbon emissions and specify in the procurement of new aircraft that the aircraft types must comply with sustainable aviation fuel (SAF) fuel standard documents, integrating them into the company's existing quality system or other management mechanisms.
	Transition Risks	Consumer preference for low-carbon flying	Decrease in operating revenue	• Pay attention to the requirements and considerations of corporate partners regarding low-carbon flying, jointly seeking solutions to reduce the environmental impact of business travel. • Implement a flight carbon emissions calculator to provide consumers with the option of low-carbon flights, while continuously monitoring flight carbon emissions, allowing customers to continuously track and achieve the goal of sustainable low-carbon travel.
Low Carbon Aviation Products and Services	Transition Risks	Rising costs of sustainable fuels	Increase in operating costs	• Regularly participate in meetings of the Bureau of Standards, Metrology and Inspection under the Ministry of Economic Affairs, Civil Aviation Administration, and annual meetings of civil aircraft manufacturers to keep abreast of trends in sustainable aviation fuel (SAF) regulations and technological developments. • Formulate policies based on the potential policies and coordinated approaches for the deployment of sustainable aviation fuels provided by ICAO.
	Opportunities	Development and/or expansion of low-carbon aviation services	Reduction in operating costs	• When purchasing Unit Load Devices (ULDs), prioritize weight considerations and expand optimized off-site washing processes to other long-haul routes to reduce on-board weight. • Manage meal supply situations and ensure that station personnel effectively handle on-site meal additions and subtractions to reduce resource waste and food leftovers.

5.3.4 Indicators and Goals

To proactively address climate change impacts, STARLUX identifies risks, sets management strategies and mitigation goals, integrates them into daily operations, and reviews regularly.

Indicator types	Management of Response Strategies and Objectives
Greenhouse gas emissions	**Greenhouse Gas Inventory Indicators:** • In 2023, STARLUX completed the aviation fuel verification for the year 2022 following the guidelines of CORSIA. In 2024, The company completed our first greenhouse gas inventory for the year 2023 according to ISO 14064-1:2018 standards. In April 2024, The company obtained external third-party verification. STARLUX will continue to conduct these assessments annually and set long-term carbon reduction goals. **Carbon Reduction Strategies:** • By 2035, ensure that at least 5% of our aviation fuel usage comes from sustainable aviation fuel (SAF). • Commit to fully cooperating with national net-zero emission pathways and strategies, working towards the goal of achieving net-zero carbon emissions by 2050. • Actively monitor international carbon regulatory mechanisms such as CORSIA, the European Union Emissions Trading System (EU ETS), and the UK • Emissions Trading System (UK ETS) to stay informed of the latest trends in aircraft energy efficiency and carbon reduction. • Develop carbon reduction plans and conduct goal checks and policy formulation every six months.
Risks and opportunities — Transition risks — Physical risks — Climate opportunities	After identifying the significant climate issues for STARLUX, and by improving energy efficiency, using lower carbon fuels, providing consumers with low- carbon flight experiences, and disclosing carbon information, The company has formulated the following relevant indicators and targets: **Short-Term Goals:** • In accordance with Airbus policy, ensure that at least 5% of sustainable aviation fuel (SAF) is used for non-delivery flights of new aircraft. • Gradually introduce carbon-reducing and noise-reducing aircraft such as the A321neo and ensure that the documentation for these aircraft specifies the standards for the use of sustainable aviation fuel (SAF). Incorporate these standards into the company's existing quality system or other management mechanisms. • Procure lightweight unit load devices (ULDs) to reduce onboard weight. **Medium to Long-Term Goals:** • Actively monitor international carbon regulatory mechanisms such as CORSIA and participate in government and private sector aviation industry meetings to understand trends in the development of new aircraft energy technologies and assess the cost-effectiveness and timing of their introduction. • Ensure that the new headquarters building at least meets the requirements for Taiwan's Green Building Silver Candidate Certificate. • By 2030, achieve 60% electrification of ground vehicles. • By 2030, achieve 90% electronicization of operational aircraft systems. • By 2035, ensure that the overall usage of sustainable aviation fuel (SAF) reaches 5% of total fuel consumptio

Indicator types	Management of Response Strategies and Objectives
Capital allocation	• In the operational strategy planning, STARLUX incorporates considerations of climate risks and opportunities. Fleet planning involves the introduction of more fuel-efficient aircraft models such as the A321neo and A330neo, which reduce fuel and carbon emissions by 20% to 25% compared to previous models. Climate change adaptation will continue to be integrated into decision-making processes to ensure effective capital allocation.
Internal carbon pricing	• By the end of 2023, the Civil Aviation Administration completed the legislation for carbon reduction in domestic aviation. Following the International Civil Aviation Organization's CORSIA regulations, carbon emissions are to be maintained at 2019 levels from 2021 to 2023 and reduced by 15% from 2024 to 2035. Exceeding emission standards will require the purchase of carbon credits for offsetting. • To comply with government regulations on carbon emissions in the aviation industry, STARLUX utilizes internal carbon pricing as a management tool for policy and investment needs. This approach effectively manages carbon risks, identifies carbon opportunities, and internalizes the external costs of carbon emissions into decision-making and investment assessments. Internal carbon pricing will gradually be incorporated, with continuous monitoring of market prices and social cost information for future reference.
Compensation	• Senior management members are appointed to the "Corporate Sustainability Committee", which includes the effectiveness of sustainability initiatives in performance evaluations. Future discussions will focus on aligning director and senior management compensation with climate risk and opportunity-related initiatives and mechanisms.

STARLUX

6 Harmony and Healthy Workplace

6.1 Employee Diversity and Equal Opportunity

6.2 Talent Development and Retention

6.3 Occupational Safety and Health

6.1 Employee Diversity and Equal Opportunity

6.1.1 Promoting Workplace Human Rights Protection

To address workplace human rights issues, STARLUX has established a Corporate Sustainability Committee, chaired by the CEO and composed of senior executives, to oversee concrete measures taken by relevant departments to promote human rights, diversity, equity, and inclusion (DEI) related issues, ensuring active promotion of human rights practices. STARLUX has formulated the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" and finalized the "STARLUX Airlines Human Rights Policy", which has been announced and implemented in the second quarter of 2024, ensuring the absence of child labor and addressing any cases of forced labor, harassment, or discrimination.

STARLUX has established the "Complaints Handling Committee" and "Employee Complaint Management Measures", providing an independent mailbox and dedicated personnel hotline for related affairs. Additionally, a secure reporting channel has been integrated into the our safety management system, where issues such as occupational safety operations, employee relations, information security, and personal data protection can be communicated securely and promptly processed by the responsible units. In 2023, STARLUX did not receive any human rights-related complaints, and no incidents of discrimination related to ethnicity, gender, religion, political affiliation, sexual orientation, sexual harassment, or workplace bullying occurred.

At the same time, to promote workplace diversity and human rights education, STARLUX conducts advocacy against forced labor, child labor, harassment, discrimination, and sexual harassment. Following the announcement of the human rights policy in 2024, all employees will be required to undergo regular education and training on related matters. In the future, we will continue to monitor and promote relevant educational training to raise awareness of human rights protection among employees and reduce associated risks.

6.1.2 Workforce Structure and Diversity in the Workplace

In 2023, the total number of employees in STARLUX was 4,073, with full-time (non- fixed-term contract) employees accounting for approximately 99.66% of the total workforce. The types of non-employee workers include contractors. In terms of gender distribution, males accounted for approximately 51.51%, while females accounted for approximately 48.49%. Regarding age distribution, the largest proportion of employees fell between the ages of 30 and 50, accounting for approximately 51.29% of the total workforce. The next largest group consisted of employees under the age of 30, accounting for 42.84% of all employees. In terms of employee rank distribution, there were a total of 55 senior executives, with 15 of them being female, resulting in females making up 27.27% of all senior executives.

STARLUX values diversity and inclusivity in the workplace. In 2023, we had 19 employees with disabilities and 44 employees of indigenous descent. The company has also established accessible ramps, restrooms, lactation rooms, etc., in our office spaces. To increase employment opportunities for individuals with disabilities, The company has set up a special section on our recruitment platform for matching talent with disabilities (applicants are not limited to specific types of disabilities but must have a disability certification). We welcome individuals with disabilities who are interested in joining STARLUX to break down barriers to employment and create an inclusive work environment where every employee can fully unleash their potential. In 2023, STARLUX did not receive any reports or investigations of discrimination, child labor, forced labor, or coercion.

Composition of Non-Employee Worker

Gender	Category			2022	2023
Male	Formal Employee	Fixed-term Contract	Full-time	5	9
			Part-time	—	—
		Indefinite-term Contract	Full-time	1,378	2,088
			Part-time	26	1
	Non-formal Employee		Full-time	1	—
			Part-time	—	—
	Subtotal			1,410	2,098
Female	Formal Employee	Fixed-term Contract	Full-time	—	2
			Part-time	—	—
		Indefinite-term Contract	Full-time	1,041	1,971
			Part-time	63	—
	Non-formal Employee		Full-time	4	2
			Part-time	9	—
	Subtotal			1,117	1,975
Total				2,527	4,073

Note 1: The employee figures are reported as of December 31, 2023.
Note 2: Fixed/Indefinite-term Contract: Please refer to Article 9 of the Labor Standards Act for definitions.
Note 3: Full-time/Part-time: Part-time refers to employees whose working hours are significantly shorter compared to full-time employees within the organization, and the shortened hours are agreed upon by both labor and management.
Note 4: Non-formal Employees: Interns.
Note 5: At the end of 2022, the aviation industry faced the reopening of borders in various countries and a gradual recovery in the passenger market. Consequently, in 2023, there was a significant increase in workforce to cope with the post-pandemic economic recovery and the sudden surge in passengers and flight frequencies.

Employee Composition Structure (by Work Location)

Work Location	Category			2022	2023
Taiwan	Formal Employee	Fixed-term Contract	Full-time	3	10
			Part-time	—	—
		Indefinite-term Contract	Full-time	2,239	3,688
			Part-time	89	1
	Non-formal Employee		Full-time	5	2
			Part-time	9	—
	Subtotal			2,345	3,701
Asia (excluding Taiwan)	Formal Employee	Fixed-term Contract	Full-time	2	1
			Part-time	—	—
		Indefinite-term Contract	Full-time	165	319
			Part-time	—	—
	Non-formal Employee		Full-time	—	—
			Part-time	—	—
	Subtotal			167	320
Americas	Formal Employee	Fixed-term Contract	Full-time	—	—
			Part-time	—	—
		Indefinite-term Contract	Full-time	15	52
			Part-time	—	—
	Non-formal Employee		Full-time	—	—
			Part-time	—	—
	Subtotal			15	52
Total				2,527	4,073

Note 1: The employee numbers reported are as of December 31, 2023.
Note 2: Fixed/Indefinite-term Contract: Please refer to Article 9 of the Labor Standards Act for definitions.
Note 3: Full-time/part-time: Part-time (i.e., part-time workers) refers to workers whose working hours are significantly reduced compared to full-time employees, and the reduced hours are agreed upon by both labor and management.
Note 4: Non-formal employees: Interns.
Note 5: At the end of 2022, the aviation industry faced the reopening of borders in various countries and a gradual recovery in the passenger market. Consequently, in 2023, there was a significant increase in workforce across various job sites to cope with the post-pandemic economic recovery and the sudden surge in passengers and flight frequencies.

Composition of Non-Employee Workers

Gender	Type	2022	2023
Male	Contractors	—	10
Female	Contractors	—	7
Total		**—**	**17**

Note 1: Non-employee workers are contractors; their duties include loading duty-free items, beverages, and other goods onto carts for in-flight use within the bonded area.
Note 2: The data is reported as of December 31, 2023.
Note 3: Due to the demand for manpower after the easing of the epidemic situation in 2022, actual recruitment of personnel occurred in 2023 following the selection and interview processes by the company. Therefore, there were no non-employee workers in 2022.

Diverse Workforce Composition in 2022

Employee Category	Under 30 years old		Between 30 and 50 years old		50 years old and above		Total
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	
Senior Executives	—	—	10	3	28	6	47
Middle Management	—	—	85	14	55	15	169
Frontline Supervisors	4	1	114	58	30	9	216
General Staff	401	584	661	410	22	17	2,095
Total	**405**	**585**	**870**	**485**	**135**	**47**	**2,527**
Employee Composition by Gender (% of Total Employees)	16.03%	23.15%	34.43%	19.19%	5.34%	1.86%	100%
Employee Composition by Age Group (% of Total Employees)	39.18%		53.62%		7.20%		100%

Note 1: Senior Executives: Vice President level and above.
Note 2: Middle Management: Director level.
Note 3: Frontline Management: Manager level.

Diverse Workforce Composition in 2023

Employee Category	Under 30 years old		Between 30 and 50 years old		50 years old and above		Total
	Male	Female	Male	Female	Male	Female	
Senior Executives	—	—	9	6	31	9	55
Middle Management	—	—	123	20	66	21	230
Frontline Supervisors	2	2	179	90	45	14	332
General Staff	645	1,096	970	692	28	25	3,456
Total	647	1,098	1,281	808	170	69	4,073
Employee Composition by Gender (% of Total Employees)	15.89%	26.96%	31.45%	19.84%	4.17%	1.69%	100%
Employee Composition by Age Group (% of Total Employees)	42.84%		51.29%		5.87%		100%

Note 1: Senior Executives: Vice President level and above.
Note 2: Middle Management: Director level.
Note 3: Frontline Management: Manager level.

Minority and Vulnerable Group Composition

Job Level / Group Category	2022		2023	
	Disabled Persons	Indigenous People	Disabled Persons	Indigenous People
Management Personnel	1	1	1	1
Regular Employees	9	30	18	43
Total	10	31	19	44
Percentage of Total Workforce (by Group Category)	0.40%	0.76%	0.47%	1.08%

Employee Education Distribution

Education Category	2022		2023	
High School and Below	208	8.23%	328	8.05%
Junior College	132	5.22%	181	4.44%
Bachelor	1,982	78.43%	3,282	80.58%
Master	205	8.11%	282	6.92%
Total	2,527		4,073	

Note: The employee numbers reported are as of December 31, 2023.

Employee Nationality Distribution

Nationality Category	2022		2023	
Taiwan	2,373	93.91%	3,741	91.85%
Asia (excluding Taiwan)	136	5.38%	286	7.02%
Europe	2	0.08%	3	0.07%
Americas	16	0.63%	43	1.06%
Total	2,527		4,073	

Note: The employee numbers reported are as of December 31, 2023.

6.1.3 Enhanced Compensation System

Under the ethos of sustainable operation, STARLUX is committed to fostering a robust corporate culture and ensuring financial soundness. Grounded in principles of respect for professionalism and shared accomplishments, The company has developed a fair and equitable compensation system. Salaries are determined based on employees' educational background, professional expertise, tenure, and individual performance, with no differentiation based on gender, age, ethnicity, nationality, religion, political stance, or sexual orientation. Furthermore, we regularly review the compensation system annually, taking into consideration factors such as annual profitability, changes in the consumer price index, individual performance evaluations, and long-term considerations for employee incentives. Adjustments to salaries and the distribution of year-end bonuses are carried out accordingly.

In 2023, the average salary for full-time employees in non-managerial positions was TWD673,977, with a median salary of TWD624,200. Compared to 2022, the average salary decreased by TWD10,857, and the median salary decreased by TWD31,800. This decrease can be attributed to the influx of new employees in 2023 occupying lower-tier positions in their career ladder. The increase in lower-paying roles outweighed the increase in other positions, thus lowering the overall average and median salaries. This is a transitional phenomenon, and as new employees gain experience and opportunities for advancement, their corresponding salary levels will continue to rise, ensuring balance and fairness in overall salary levels.

The Ratio of Male to Female Salary

Employee Category	Flight Crew Members	Cabin Crew Members	Domestic Ground Staff	Outstation Ground Staff
Senior Executives	0	0	1.07	1.06
Middle Managers	1	0	1.03	1.06
Frontline Supervisors	1.09	1.1	1.13	0.94
General Staff	0.83	0.96	1.19	0.99

Note 1: Senior Executives: Vice President level and above
Note 2: Middle Management: Director level
Note 3: Frontline Management: Manager level

Note 4: The salary ratio for female employees is set at 1.00 in this table.
Note 5: Compensation includes basic salary, management allowances, professional allowances, shift allowances, overtime pay, and bonuses for unused leave, among others.
Note 6: In 2023, there were no female senior executives among flight crew members, and currently, cabin crew members, regardless of gender, do not hold senior or mid-level management positions. Therefore, salary ratios are not provided for them.

The Average and Median Salary of Full-Time Non-Managerial Employee

Unit: TWD

Item	2022	2023	Analysis of Discrepancy
Number of Full-Time Non-Managerial Employees	2,114	3,477	1,363
Average Salary of Full-Time Non-Managerial Employees	684,834	673,977	-10,857
Median Salary of Full-Time Non-Managerial Employees	656,000	624,200	-31,800

Note: In 2023, with the easing of the pandemic, the company actively expanded its team, recruiting more cabin crews, ground staff, and related supporting personnel, thereby increasing the overall number of full-time non-supervisory employees. Due to a large number of new employees entering the company at lower career levels, the increase in low-paying positions exceeded that of other positions, resulting in a decrease in both the overall salary average and median.

Highest Individual vs. Median Salary Ratio

Ratio of Highest Individual's Annual Salary to Median Salary	Ratio of Highest Individual's Salary Adjustment to Median Salary
800.00%	13.20%

Note 1: Total annual salary includes basic salary, management allowance, professional allowances, shift allowances, overtime pay, and bonuses for unused leaves, etc.
Note 2: Annual total salary ratio: Total annual salary of the highest individual / Total annual median salary of all employees (excluding the highest individual).
Note 3: Annual total salary change ratio: Percentage increase in total annual salary of the highest individual / Percentage increase in total annual median salary of all employees (excluding the highest individual).
Note 4: The annual total salary of the highest individual does not include pilots due to differences in salary structure.

6.1.4 Smooth Communication Channels

In June 2018, STARLUX Airlines Co., Ltd. set up the STARLUX Airlines Co., Ltd. Enterprise Union. In addition to providing the union with office space free of charge, we also invited union officials to hold explanatory meetings during new employee training to recruit members. Relevant units also hold regular meetings with union officials to discuss various issues, with the aim of continuously improving and optimizing management measures and employee benefits, shaping a culture of instant and transparent communication in the workplace, and encouraging employees to join the union to safeguard their right to association. In 2023, the proportion of employees joining the union was 36.31%, with 4 labor-management meetings and discussions on 31 topics, including employee welfare tickets, various allowances, shuttle buses, and other related proposals.

Any adjustments to labor conditions by STARLUX require the consent of the union, and all operational activities comply with local legal regulations, such as reporting work rules to competent authorities for approval, implementing flexible working hours, and changing the cycle of rest days. In 2023, there were no strikes or work stoppages, demonstrating the good cooperative relationship between STARLUX Airlines and the union and the concern for employee rights.

◆ Yilan Trip (November 13, 2023)

◆ Taichung Trip (November 18, 2023)

6.2 Talent Development and Retention

6.2.1 New Hires and Turnover

In 2023, STARLUX recruited a total of 1,987 new employees, resulting in a new hire rate of approximately 48.78%. There were 295 employees who left STARLUX, accounting for a turnover rate of about 7.24%. For new hired cabin crew, STARLUX regularly holds pre-employment briefings to explain relevant regulations and requirements upon joining. For employees leaving after three months of tenure, we distribute online leave-survey for them to fill out, aiming to understand the main reasons for their resignation, such as career planning, job nature and expectations, health issues, and family factors. Therefore, in the future, STARLUX plans to enhance job content explanations during interviews to ensure that candidates' understanding aligns with the actual situation. Additionally, we will provide employee assistance programs such as psychological counseling and legal services to offer comprehensive support and improve the retention rate of talented individuals.

New Employee Statistics

Region	Gender	Age	2022		2023	
			New Hires	New Hire Rate (%)	New Hires	New Hire Rate (%)
Taiwan	Female	<30 years old	532	21.05%	800	19.64%
		31-50 years old	149	5.09%	187	4.59%
		>51 years old	11	0.44%	11	0.27%
	Male	<30 years old	322	12.74%	442	10.85%
		31-50 years old	303	11.99%	305	7.49%
		>51 years old	23	0.91%	19	0.47%
Asia (excluding Taiwan)	Female	<30 years old	30	1.19%	78	1.92%
		31-50 years old	16	0.63%	43	1.06%
		>51 years old	—	—%	1	0.02%
	Male	<30 years old	28	1.11%	38	0.93%
		31-50 years old	14	0.55%	18	0.44%
		>51 years old	1	0.04%	1	0.02%
Americas	Female	<30 years old	1	0.04%	4	0.10%
		31-50 years old	8	0.32%	13	0.32%
		>51 years old	2	0.08%	4	0.10%
		>51 years old	1	0.04%	9	0.22%
	Male	<30 years old	3	0.12%	10	0.25%
		31-50 years old	—	—%	4	0.10%
Subtotal			**1,444**	**57.14%**	**1,987**	**48.78%**

Note: The new entry rate is calculated as [(the number of new employees in each category in that year) / (the total number of employees at the end of the year)]*100%

Departure statistics

Region	Gender	Age	2022		2023	
			Number of Departures	Departure Rate (%)	Number of Departures	Departure Rate (%)
Taiwan	Female	<30 years old	48	1.90%	93	2.28%
		31-50 years old	47	1.86%	40	0.98%
		>51 years old	5	0.20%	7	0.17%
	Male	<30 years old	41	1.62%	62	1.52%
		31-50 years old	38	1.50%	45	1.10%
		>51 years old	4	0.16%	6	0.15%
Asia (excluding Taiwan)	Female	<30 years old	13	0.51%	17	0.42%
		31-50 years old	5	0.20%	6	0.15%
		>51 years old	—	—%	—	—%
	Male	<30 years old	10	0.40%	8	0.20%
		31-50 years old	4	0.16%	4	0.10%
		>51 years old	—	—%	—	—%
Americas	Female	<30 years old	—	—%	—	—%
		31-50 years old	—	—%	3	0.07%
		>51 years old	—	—%	—	—%
	Male	<30 years old	—	—%	—	—%
		31-50 years old	—	—%	—	—%
		>51 years old	—	—%	2	0.05%
Subtotal			215	8.51%	293	7.19%

Note: The turnover rate is calculated as the number of departures for each category during the year divided by the total number of employees at the end of the year.*100%

6.2.2 Diverse Employee Benefits

STARLUX provides employees with fair rights and benefits, adhering strictly to local legal regulations at operational bases to ensure employees receive their entitled basic benefits, including insurance, retirement plans, and vacation days. Additionally, a Welfare Committee is established to gradually plan diverse welfare measures, offering benefits beyond legal requirements. These include marriage subsidies, funeral and burial subsidies, injury and illness consolation subsidies, and discounts at the STARLUX Shop. Company performance is reflected in employee compensation, fostering unity among colleagues and fostering harmonious labor relations.

In pursuit and implementation of the concept of a happy enterprise, STARLUX promotes a system where employees can take days off on make-up days for additional vacation. Alongside with employee benefit discount ticket, catering to the welfare and needs of unmarried and spouseless individuals, in line with the policy of equality and non-discrimination.

STARLUX Employee Welfare Items

Item	Content
Employee Benefits	Establishment of an Employee Welfare Committee in compliance with the law, with contributions from both the company and employees for the distribution of birthday gifts, holiday gifts (gifts), welfare assistance programs, educational scholarships, leisure subsidies, and other annual subsidy programs.
Mutual Sharing	In accordance with STARLUX's articles of association, if profits are made in a fiscal year, we should allocate no less than one percent as employee compensation.
Employee Care	Mandatory retirement fund contributions, employee labor/health insurance, employer liability insurance, group insurance, health check-ups, onsite medical services, and unemployment subsides.
Employee Leisure	Employee benefit discount tickets for on in-service and retired employees, STARLUX Shop employee discounts, and various discounts from contracted vendors.
Happy Workplace	Days off on makeup days, flexible work hours, free employee lunches, optimization of corporate office space and equipment, occupational safety, gender equality in working conditions, and transfer and rotation systems.

To assist employees who are retiring or terminating their employment contract in transitioning smoothly to the next stage of their careers, STARLUX helps employees with necessary assistance to ensure that the process for unemployed workers proceeds smoothly. In addition, retired employees can continue to enjoy discounted employee tickets. Committed to helping employees adapt to career changes smoothly, enhancing their employability and career planning skills, and facilitating their reintegration into the workplace and social life.

STARLUX Retirement Plan

STARLUX has formulated employee retirement-related system regulations in accordance with the Labor Standards Act and the Labor Pension Act and has established a "Labor Retirement Reserve Fund Supervision Committee" to open a special account for labor retirement reserve funds at the Bank of Taiwan. Retirement funds are allocated into the Labor Standards Act old system retirement pension and the Labor Pension Act new system retirement pension. Employees may apply for retirement in accordance with the provisions of the Labor Standards Act; the contribution rate for the new system is 6%, and for the old system, it is 2%, which has reached the statutory limit. In compliance with Article 56, Paragraph 2 of the Labor Standards Act, retirement reserves are to be allocated monthly within a range of 2% to 15% of the total monthly salary of the laborer. Adequate allocation has been completed. In the fiscal year 2023, the amount of retirement benefit expenses accounted for was TWD150,434,596, ensuring that employees receive their entitled benefits after retirement.

Total Retirement Benefit Amount

Unit: TWD

Retirement Benefit Amounts	2022	2023
Labor Retirement Old System	58,522	448,075
Labor Retirement New System	78,158,279	149,986,521
Total Expenses	78,216,801	150,434,596

6.2.3 Parental Leave

To encourage and support employees in nurturing the next generation, STARLUX provides parental leave in accordance with legal requirements. In 2023, a total of 22 colleagues applied for parental leave. It is anticipated that 10 of them will return to work after parental leave, and the actual number of returnees is 9, achieving a return rate of 90.00%. Additionally, in 2022, there were 6 returnees, all of whom stayed with the company for over a year, achieving a retention rate of 100.00%.

Item	Number of males	Number of females	Total
2023 Fiscal Year - Eligible for Parental Leave (A)	202	75	277
2023 Fiscal Year - Applied for Parental Leave (B)	5	17	22
2023 Fiscal Year - Expected Return to Work After Parental Leave (C)	3	7	10
2023 Fiscal Year - Actual Return to Work After Parental Leave (D)	3	6	9
2022 Fiscal Year - Actual Return to Work After Parental Leave (E)	2	4	6
2022 Fiscal Year - Still Employed 12 Months After Return from Parental Leave (F)	2	4	6
Parental Leave Application Rate (B/A)	2.48%	22.67%	7.94%
Return to Work Rate (D/C)	100.00%	85.71%	90.00%
Retention Rate (F/E)	100.00%	100.00%	100.00%

6.2.4 Talent Development Management

STARLUX designs corresponding education and training courses for different levels and positions to enhance employees' professional skills and management capabilities, thereby achieving our operational goals and strengthening its competitiveness. In 2023, through various training methods such as domestic and international exhibitions, knowledge sharing, job rotations, monthly article sharing, online learning systems (eTDS), hierarchical training for management positions, internal speaker training, and training for newly promoted supervisors, employees were able to continuously learn and stay updated with new knowledge. In 2023, the number of participants in education and training reached 4,073, with an average training duration totaling 123.52 hours.

Average Training Hours for 2022 and 2023

Gender	Employee Category	2022			2023		
		Number of Employee	Total Training Hour	Average Training Hour	Number of Employee	Total Training Hour	Average Training Hour
Male	Senior Executives	34	1,453	42.74	40	1,216	30.40
	Middle Managers	134	9,363	69.87	189	10,617	56.17
	Frontline Supervisors	145	11,588	10.95	222	19,189	86.44
	General Staff	1,007	102,960	102.24	1,640	163,737	99.84
Female	Senior Executives	9	559	62.11	15	627	41.80
	Middle Managers	27	1,224	45.33	41	2,010	49.02
	Frontline Supervisors	64	4,358	68.09	90	6,000	66.67
	General Staff	902	157,914	175.07	1,836	299,718	163.25
Total		2,322	279,419	120.34	4,073	503,114	123.52

Note: The average training hours are calculated as the total training hours for each employee category divided by the number of employees in that category.

Employee Development Representative Program

Classification	Name	Project Description	Execution Method	Participation Level	Project Benefit
New Hire Training	1. New Employee Education and Training	New Employee Education and Training: On the first day of new ground staff joining, the HR department will arrange training for new hires to familiarize them with the company. The curriculum includes STARLUX's general regulations, security awareness training, and other legal compliance courses.	Physical/ Online	100%	New Hire Training: New employees can understand STARLUX' values, aviation expertise, enhance safety awareness and legal knowledge, fostering team cohesion, maintaining a positive work attitude, building company culture, and creating self-worth. In 2023, a total of 1,184 participants completed the training.
Management Skills Training Programs	2. Newly Promoted Frontline Supervisor Training Program	Newly Promoted Frontline Supervisor Training Program: The HR department regularly conducts training for newly promoted frontline supervisors. This program focuses on developing their professional skills, problem-solving abilities, team member development, self-management, and communication skills. The aim is to enable them to demonstrate their management value in work and organization, facilitating team growth and more effective task execution.	Physical	100%	Newly Promoted Frontline Supervisor Training Program: Newly appointed frontline supervisors can strengthen team leadership, goal management skills, effectively cultivate subordinates, and improve communication effectiveness, fulfilling their management responsibilities from top to bottom. In 2023, 29 participants completed the training.
Management Skills Training Programs	3. Mid-Level Manager Training Program	Mid-Level Manager Training Program: The HR department regularly conducts training for newly promoted mid-level managers. Besides extending the skills of frontline supervisors, this program emphasizes department management, performance control, innovation, talent development, and communication skills. The goal is to enable them to better demonstrate their management value, lead team upgrades, and achieve profit benefits.	Physical	100%	Mid-Level Manager Training Program: Implementing effective department management responsibilities for mid-level managers, enhancing performance planning and control capabilities, improving top-to-bottom communication coordination, nurturing talent across various departments, gaining insights into future company operations, proposing innovative reform solutions, ensuring the sustainable inheritance of internal knowledge and experience, and enhancing adaptability and organizational restructuring capabilities. In 2023, 25 participants completed the training.
Internal Training and Talent Development Program	4. Internal Trainer Training and Certification Program	Internal Trainer Training and Certification Program: The HR department regularly conducts training and certification for internal reserve trainers. Upon passing, participants are awarded an internal trainer certificate. In the future, internal trainers will continue to conduct company training programs, aiming to achieve similar benefits, effectively reduce external training costs, and expand the richness of internal training programs, ensuring a continuous supply of training capacity.	Physical	100%	Internal Trainer Training and Certification Program: Enhancing the company's internal education and talent development capacity. After completing the training, employees can conduct training based on their professional knowledge and convey company values and policies to various department personnel. In 2023, 23 participants completed the training.

Note: Participation rate is calculated as the actual number of participants divided by the number of personnel sent for training, multiplied by 100%.

6.2.5 Performance Evaluation Mechanism

Ground staff, flight crew, and cabin crew play different roles in the airline, with varying job natures, responsibilities, and tasks. Therefore, to effectively assess the performance of colleagues and provide appropriate feedback, STARLUX has established the "Employee Performance Evaluation Measures", "Pilot Management Manual", and "Cabin Crew Performance Management Procedures". These are designed to tailor performance evaluation processes for ground staff, flight crew, and cabin crew, accurately reflecting the performance of different job functions and providing employees with targeted development and improvement suggestions. In 2023, the execution rates for performance evaluations of ground staff, flight crew, and cabin crew were all 100%.

Performance Evaluation Items

Employee Type	Evaluation Policies	Types and Frequency of Evaluation	Performance Evaluation
Ground Staff	Employee Performance Appraisal Policy	Twice-yearly performance evaluations are conducted, respectively in the first half of the year (April) and the second half of the year (October).	The evaluator sets the "Job Objectives" and "Management Capabilities and Behavioral Indicators" for the employee; each employee is assessed by up to two levels of supervisors. The employee being evaluated, and their immediate supervisor hold a discussion regarding the employee's "Job Objectives" and "Behavioral Indicators". After detailing the achievement of objectives and the employee's daily work situation, both parties confirm the outcomes. Upon receiving the completed assessment form from the immediate supervisor, the second-level supervisor confirms the assessment results. Employees who do not require assessment in the evaluation month should still participate in discussions with their supervisors to establish objectives to achieve before the next evaluation.
Flight Crew	Pilot Administration Manual	An annual performance evaluation is conducted, with related operations carried out in November.	The Flight Operations Management Unit provides the "Flight Crew Performance Evaluation Report" to various administrative units of the Flight Operations Division each month. Ground staff fill out the flight crew performance form based on various scoring indicators, which is then consolidated by the HR department.
Cabin Crew	Cabin Crew Performance Management Policies	An annual performance evaluation is conducted, with related operations carried out in September.	Cabin crew members undergo an annual evaluation based on four indicators, including "In-flight Service Evaluation", "Attendance Record", "Disciplinary Record", and "Supervisor Assessment". Each cabin crew member is assessed by up to two levels of supervisors, with the first-level evaluator being the team leader and the second-level evaluator being the CGS Manager.

Note: Ground staff refers to personnel who provide ground services, including all internal office staff.

Ground Staff Performance Appraisal Execution Rate

Year	Senior Executive	Mid-Level Manager	General Staff	Total	Total Number of Personnel to be Evaluated	Evaluation Execution Rate
First Half of 2022	32	40	1,186	1,258	1,258	100%
Second Half of 2022	37	55	1,589	1,681	1,681	100%
First Half of 2023	41	67	2,270	2,378	2,378	100%
Second Half of 2023	52	76	2,434	2,562	2,562	100%

Air Crew Performance Execution Rate

Year	Flight Crew	Cabin Crew	Total	Total Number of Personnel to be Evaluated	Evaluation Execution Rate
2022	57	210	267	267	100%
2023	177	295	472	472	100%

Evaluation Results and Performance Improvement Plan

STARLUX uses annual performance appraisal results as the basis for promotions, salary adjustments, bonuses, and talent development. Depending on the situation, individual incentives, follow-ups, and improvement improvement plans are implemented for evaluated employees. If an employee's weighted overall rating falls below the average score for two consecutive evaluations, their case will be reviewed by the Personnel Evaluation Committee. If deemed unfit by the committee, the employee may face demotion, transfer, or dismissal. Additionally, to effectively utilize evaluation results and assist employees in improving performance and future career development, relevant improvement counseling plans will be implemented for any employee whose performance in either management capabilities or behavioral indicators, or whose weighted overall rating, falls below the average.

Performance Improvement Plan Item	Content of Performance Improvement Plan
One-on-One Counseling Sessions	After discussions between the evaluated employee and their immediate supervisor, work improvement methods and directions are formulated. A follow-up meeting is scheduled three months later to confirm effectiveness. During the three-month improvement period, specific improvement milestones should be established in sequence, and the employee's progress should be continuously monitored.
Educational Training	Depending on the evaluation results and areas needing improvement, the Human Resources Division will assist in arranging relevant educational training.

Through the performance appraisal mechanism, clear job objectives are established to develop employees' potential and personal qualities. This process also enhances communication and interaction between superiors and subordinates, seeking directions for improvement and advancement. It encourages outstanding performance and prompts adjustments for those needing improvement. The aim is to effectively assist employees in their career development, ensuring they are in roles that suit their abilities and contributing to the refinement of talent development. This fosters mutual growth for both employees and the company, creating an outstanding and continuously improving team.

6.3 Occupational Safety and Health

Disclosure Content	Item	Content	
Policy and Commitment	Policy	STARLUX has established the "Occupational Health and Safety Management Manual" with safety as its cornerstone, adhering to a rigorous and meticulous attitude. All employees abide by occupational safety and health regulations, continuously improve safety and health, reduce hazard risks, prevent occupational diseases, and create a safe and healthy working environment to achieve the goal of zero occupational accidents.	
	Commitment	STARLUX promises to establish clear safety and health policy declarations and comply with occupational safety and health laws and regulations. Through providing employees with occupational safety and health education and health promotion measures, we are committed to creating a safe and healthy working environment. Furthermore, STARLUX promotes labor-management interaction and trust through two-way communication, continuously conducts hazard identification and risk assessment, corrects safety and health issues, and enhances the occupational safety and health management system and performance improvement.	
Action Plan	Positive Impact Management	STARLUX is committed to providing employees with a safe and healthy working environment, fulfilling its social responsibility as an employer in caring for its employees.	
	Negative Impact Management	STARLUX is committed to providing employees with a safe and healthy working environment and fulfilling its social responsibility as an employer in caring for its employees. The occurrence of occupational diseases, injuries, or work accidents not only affects employee health, attendance rates, and work efficiency but may also incur medical expenses and even litigation costs due to labor disputes, affecting STARLUX's reputation.	
Effectiveness Evaluation	Qualitative	• Plan to conduct ISO45001 and TOSHMS management system inspections and internal audits annually. • Plan to conduct ISO45001 and TOSHMS management system management reviews annually. • Plan to achieve ISO45001 and TOSHMS management system tracking and re-certification by the third year.	• Hold occupational health and safety committee meetings every three months to track performance. • Safety proposal: Promote the implementation of "Contractor Toolbox Meetings". • Regularly track the number of employees who should undergo annual physical examinations.
	Quantitative	• 100% implementation ratio for hazard identification. • 100% execution rate for annual employee health checkups.	• 100% implementation rate for occupational safety and health training in 2023 (3 years - 3 hours).
Goal	Short-Term Goal	• Goal for 2023: Obtain ISO45001 and TOSHMS certification.	• Annual employee health check completion rate: 100%.
	Medium to Long-Term Goal	• Maintain the effectiveness of ISO45001 and TOSHMS management systems. • Annual employee health check completion rate: 100%.	
Complaint Mechanism	Responsible Units	Human Resources Department Employee Relations Division	
	Contact Information	• Reporting channel for workplace misconduct: Hotline: 03-260-1800#7101 or #7103 / Email: shd@starlux-airlines.com • Human Resources Department: Hotline: 02-2791-1000#6799 / Email: wecare@starlux-airlines.com	
	Reporting Mechanism	• On-site personnel of the unit where an incident occurs should immediately implement emergency response measures. • The unit where the incident occurred should notify the department head, Human Resources Department, and Occupational Safety and Health Office. • Personnel from the Human Resources Department should gather relevant information about the event, investigate the causes of the incident, and complete related reports.	• The unit where the incident occurred should propose corrective measures. • The unit should identify the direct, indirect, and root causes of the incident and conduct a risk assessment. • The Human Resources Department and the Occupational Safety and Health Office should confirm the effectiveness of the corrective and preventive measures, and whether the risk has been reduced to an acceptable level.
Communication Achievement	Positive and Negative Feedback	Employees: Labor representatives participate in quarterly safety and health committee meetings; Total number: 4 times/year.	
	Improvement and Prevention Measures	Employees: Conduct fire drills and training, periodically promote cybersecurity news and information, and hold annual online safety and health education training courses for all employees. Establish a cybersecurity incident reporting procedure, where employees who detect information security incidents should immediately follow the reporting procedure for handling.	

6.3.1 Occupational Safety and Health Policy and Management System

STARLUX has implemented the "ISO45001 Occupational Safety and Health Management System" and the "TOSHMS Taiwan Occupational Safety and Health Management System" verification since July 2023. An internal audit was conducted in November 2023. In December 2023 and January 2024, two phases of external audits were completed, covering various locations in Taiwan: Taipei Headquarters, STARLUX Flagship Store, Taoyuan International Airport, FTZ Cargo Terminal, Taichung office, and Taoyuan Flight Operations Center. In April 2024, we received dual certification for ISO45001 and TOSHMS after verification.

Occupational Safety and Health Management System Coverage and Personnel (Employees) in 2023

Unit: Number

Item	2023
Number of Employees Covered by Occupational Safety and Health Management System (a)	3,668
Number of Employees Covered by Internal Audit of Management System (b)	3,668
Number of Employees Covered by External Organization Audit or Certification of Management System (c)	3,668
Total Number of Employees (d)	4,073
Occupational Safety and Health Management System Coverage Rate (a/d)	90%
Internal Audit Coverage Rate (b/a)	100%
External Audit Coverage Rate (c/a)	100%

Note: The number of employees covered by external organization audit or certification of the management system does not include employees from overseas stations or foreign employees.

Occupational Safety and Health Committee

To implement various plans for occupational health and safety and promote their execution, STARLUX has established an Occupational Safety and Health Committee. This committee ensures that workers participate in the formulation, implementation, and evaluation of the occupational health and safety management system:

1. Each department nominates representatives for the implementation of the occupational health and safety management system.

2. Consultant companies are hired to provide education, training, and guidance to the implementation representatives, promoting various safety and health tasks.

3. Implementation representatives from each department are trained as internal auditors for the occupational health and safety management system.

4. Department managers and implementation representatives for the occupational health and safety management system participate in internal audits and management review meetings.

Number of Meetings Held by the Occupational Safety and Health Committee in 2023

Committee Name	Management Representative	Employee Representative (including interns)	Non-Employee Worker Representative	Labor Representative Participation Rate (%)	Number of Meeting	Meeting Frequency
Occupational Safety and Health Committee	6	3	0	33%	4	1 Per Quarter

Communication Topics for the 2023 Occupational Health and Safety Committee Meeting

Issue	Summary	Follow-up Measures and Policy Actions
Health Management	To effectively manage employee health, the Occupational Safety and Health Office has shortened the health check period for different age groups and high-risk populations to protect employees' health benefits.	Currently, the implementation of health checks exceeds regulatory requirements. Employees under 30 years old are required to undergo health checks every five years, those aged 30 to 40 every four years, those aged 40 to 50 every three years, those aged 50 to 60 every two years, and those above 60 years old annually. For high-risk groups, health checks are conducted every two years.
Labor Inspections	In cooperation with the Taoyuan City Government Labor Inspection Office, periodic inspections are conducted on relevant safety and health issues, and improvements are made for non-compliant issues according to regulations.	Regular on-site inspections and internal audits are conducted to identify and mitigate potential hazards and reduce the occurrence of occupational accidents, thus ensuring the safety and health of employees.
Operational Environment Monitoring and Assessment	Considering the diversity of on-site operations, investigations are conducted on the types of work carried out by frontline colleagues (such as dust, organic solvents, noise, etc.) that have specific health hazards.	Environmental monitoring assessments are arranged according to regulatory requirements and frequencies to ensure compliance with occupational safety and health standards.
Health Management	In response to the rapid increase in flight numbers and business volume in various departments after the lifting of restrictions, surveys on the physical and mental health status of colleagues are conducted to create a healthy workplace and ensure the well-being of employees.	Surveys on the physical and mental health status of employees are conducted, and based on the survey results, on-site medical consultation services are arranged to provide support.
Management System Establishment	To promote employee safety, reduce workplace risks, and create a safer working environment, efforts are made to promote the establishment of an Occupational Safety and Health Management System.	Led by the Audit Office, the ISO45001 and TOSHMS Occupational Safety and Health Management Systems are implemented. A kickoff meeting was held in July 2023 to establish, promote, and verify the systems, aiming to enhance autonomous operation, strengthen operational resilience, and improve the company's image. The systems were awarded ISO45001 and TOSHMS dual certification in April 2024.

Occupational Safety and Health Committees elect employees to serve as safety and health representatives through an open process to meet legal requirements. The committee convenes regular meetings every three months to discuss workplace safety and health management policies, supervise safety and health performance, and update the status of occupational safety regulations. General employees can also provide suggestions to supervisors and safety and health representatives through phone calls or emails for discussion at committee meetings. Additionally, safety and health regulations and standards are disseminated to all employees through electronic bulletin boards, internal publications, and training programs to ensure awareness of safety and health information.

6.3.2 Hazard Identification and Risk Assessment Management

STARLUX's occupational safety office regularly assesses workplace hazards and operational risks. They identify potential dangers, evaluate their severity and likelihood, and determine risk levels. Based on these assessments, the office implements appropriate controls, develops response strategies, and creates action plans. This systematic approach aims to continuously improve safety measures and minimize hazard risks in the work environment and operational processes.

Process for Occupational Hazard Identification and Risk Assessment

1. Identify all tasks
2. Identify hazards and consequences
3. Verify existing protective measures
4. Evaluate hazard risks
5. Determine risk control measures
6. Assess residual risk after controls

High-Risk Items and Response Measures

| Description of Risk Content	Response Measure
Violation of safety and health regulations by contractors	Strengthening safety and health management for contractors
Occurrence of occupational accidents	Offering occupational safety and health education training courses
Health of employees and colleagues	Conducting health promotion exercise training programs such as "Strength Training Camp"
Inadequacy of the safety and health system	Employing external consultants to conduct comprehensive health checks and implement ISO45001
Overtime work	Regularly reviewing work hours and assessing manpower needs

6.3.3 Occupational Accident Investigation Procedure

STARLUX has implemented comprehensive safety procedures based on the Occupational Safety and Health Act and government guidelines. These include Accident Incident Reporting Control, Hazard Identification and Risk Assessment Management, and Contractor and Subcontractor Safety Management measures. These procedures cover all workplace activities, including routine and non-routine operations, and apply to all personnel under STARLUX's organizational control. In case of immediate danger, workplace supervisors must halt operations and evacuate workers. Employees can also stop work and evacuate if they identify hazards, without facing penalties. For occupational accidents, the incident unit must report to the Occupational Safety & Health Div., implement emergency measures, and notify labor inspection agencies within eight hours. A thorough investigation follows, involving interviews, equipment inspections, document reviews, and site reconstructions. Corrective and preventive measures are then proposed and monitored by dedicated units to prevent recurrence. STARLUX ensures fair, transparent, and respectful investigations that protect workers' rights and interests, preventing intimidation, threats, or negative impacts on employment contracts. These comprehensive measures foster a safe work environment with effective responses to potential hazards or incidents.

Contractor Management

STARLUX adheres to Contractor Safety and Health Management Regulations to ensure contractor safety. Contractors sign safety agreements and receive workplace hazard information. An appointed organization conducts on-site inspections of the environment and safety equipment during construction. STARLUX collaborates closely with contractors, regularly reviewing their safety procedures to ensure compliance with company standards. This approach effectively mitigates occupational safety risks and prevents related hazards. Notably, there were no contractor-related occupational accidents this year, demonstrating the effectiveness of STARLUX's safety management practices.

Accident Investigation Process Flowchart
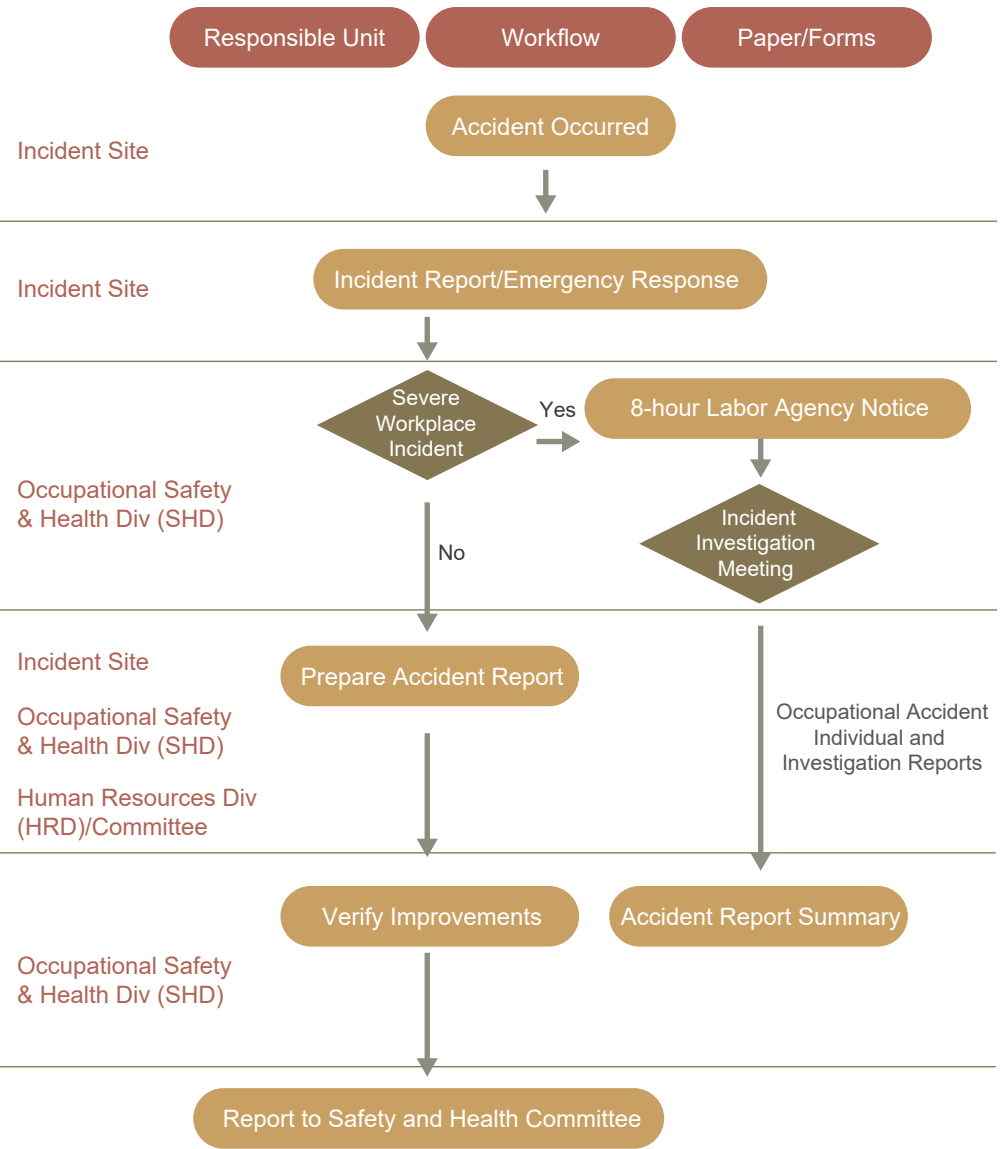
6.3.4 Occupational Safety and Health Education and Training

STARLUX provides comprehensive safety and health education to ensure all employees understand regulations and company protocols. Training covers various roles, including supervisors, management personnel, and committee members. In 2022, 1,491 employees received 2,414 hours of training. This effort intensified in 2023, with 3,323 employees completing 12,321 hours of training, marking a significant increase in both participation and duration of occupational safety and health education.

The company significantly expanded its occupational safety and health education in 2023. Trainees increased from 1,491 to 3,323, while training hours rose from 2,414 to 12,321. This growth reflects the expanding workforce and increased demand for safety certifications. More professional trainers were engaged, and training hours extended, demonstrating a heightened focus on safety awareness. This intensified approach aims to enhance employees' safety knowledge and risk response abilities, ultimately reducing accidents and creating a safer, healthier work environment.

Occupational Safety Education and Training Overview for 2022

Course Category	Training Hour (A)	Number of Trainee (B)	Number of Session(C)	Total Training Hour(ABC)
Occupational Safety and Health Supervisor Education and Training	42	1	1	42
Occupational Safety and Health Personnel Education and Training	6	2	1	12
High-pressure Gas/Construction/ Hazardous Operation Supervisor Education and Training	18	2	1	36
Education and Training for Personnel Operating Dangerous Machinery or Equipment	38	7	1	266
Specialized Operation Personnel Education and Training	18	12	1	216
Labor Health Service Personnel Education and Training	—	—	—	—
First Aid Personnel Education and Training	16	25	1	400
General Safety and Health Education and Training	1	1,442	1	1,442

Note: Special Operation Personnel Training includes providing training for forklift operators.

Occupational Safety Education and Training Overview for 2023

Course Category	Training Hour (A)	Number of Trainee (B)	Number of Session(C)	Total Training Hour(ABC)
Occupational Safety and Health Supervisor Education and Training	—	—	—	—
Occupational Safety and Health Personnel Education and Training	6	2	1	12
High-pressure Gas/Construction/ Hazardous Operation Supervisor Education and Training	18	5	1	90
Education and Training for Personnel Operating Dangerous Machinery or Equipment	38	9	1	342
Specialized Operation Personnel Education and Training	34	109	2	7,412
Labor Health Service Personnel Education and Training	12	2	1	24
First Aid Personnel Education and Training	16	83	1	1,328
General Safety and Health Education and Training	1	3,113	1	3,113

Note 1: Special Operation Personnel Training includes providing training for forklift operators as well as training for personnel operating aerial work platforms.

Note 2: Safety and Health Supervisor Training is conducted once every two years, therefore it was not scheduled for training in 2023.

6.3.5 Occupational Health Services and Promotion Activities

STARLUX implements five comprehensive labor health protection plans based on the Occupational Safety and Health Act and PDCA cycle management. These plans address human factor hazards, abnormal workload-induced diseases, job-related illegitimate acts, maternal health, and heat hazards. This holistic approach aims to safeguard employees physical, mental, and spiritual well-being, fostering a friendly and safe workplace. By prioritizing employee health and safety, STARLUX enhances worker satisfaction and loyalty while maintaining a competitive edge in the industry.

Projects:	Service Recipients:	Action Plan:	Performance:
Human Factor Hazard Prevention Plan	All employees of the company.	Prevention Management Measures for Human Factors Hazards	In 2023, a total of 38 individuals with musculoskeletal symptoms rated at 3 or above on the "Musculoskeletal Symptom Survey" were provided with health education and case management during the annual physical examination.
Abnormal Workload-induced Disease Prevention Plan	Colleagues at risk of overwork and stress due to shift work, night shifts, and long hours.	Prevention Management Measures for Preventing Diseases Caused by Abnormal Workloads	In 2023, a total of 473 individuals underwent workload assessments (including 460 individuals during the annual physical examination and 13 individuals working long hours). Based on the comprehensive evaluation of the combined examination data, individuals at high risk of cardiovascular diseases were identified as follows: high risk: 0 individuals, moderate risk: 183 individuals, low risk: 290 individuals. Health management was conducted according to the risk classification for the individuals.
Prevention Plan for Job-related Illegitimate Acts	All employees of the company.	Prevention Management Measures for Preventing Illegal Acts during Duty Execution	In July 2023, an investigation was initiated, and 22 primary units completed the investigation. There were no significant incidents of illegal acts reported in the investigation results for the year 2023.
Maternal Health Protection Plan	Female colleagues in their reproductive age with physiological cycles and fertility.	Maternal Health Protection Management Measures	In 2023, a total of 14 individuals were identified as protection subjects. They underwent interviews with occupational health service physicians and were all assessed as first-level management, suitable for their original work. They were provided with individual health guidance, and the interview results and relevant precautions were communicated to the unit supervisors.
Heat Hazard Prevention Plan	Colleagues exposed to high outdoor temperatures during their duties.	Prevention Management Measures for Outdoor Work Heat Hazards	In May 2023, assessments were conducted for outdoor operation personnel in the Ground Services and Aircraft Maintenance departments, and all assessments met the criteria.

Health Promotion Services and Programs

STARLUX implements comprehensive health services and promotion programs for all employees, focusing on their physical, mental, and spiritual well-being. This holistic approach to employee care aims to foster a friendly and healthy workplace environment. By prioritizing employee wellness, the company seeks to boost morale and loyalty, which in turn enhances its competitive edge in the industry.

Initiative	Explanation	Addressing Specific Health Risk	Performance/Results in 2023
On-site Health Consultation Service	In accordance with Article 3 of the Regulations on Labor Health Protection, on-site physicians are stationed monthly to provide consultation services, conduct follow-up management for individuals with abnormal health examination results, and offer health guidance.	New employees and those with annual health examination reports are classified by nurses. If they are classified as level three or above, on-site doctors are arranged for follow-up management and health guidance.	A total of 481 colleagues participated in on-site health consultation services management.
Health Promotion Activities	Pursuant to Article 9 of the Regulations on Labor Health Protection, health promotion activities such as "Muscle Training Camp" and "FUN Relaxation - Good Sleep Every Night" are organized.	• Muscle Training Camp" aims to prevent related problems, enhance colleagues' establishment of a healthy lifestyle, and create a physically and mentally healthy workplace by organizing online app exercise courses.	• Muscle Training Camp" had 215 colleagues participating. • "FUN Relaxation - Nightly Good Sleep" had 165 colleagues participating.
Employee Physical Examination	As stipulated in Article 17 of the Regulations on Labor Health Protection, employers are required to conduct regular general health examinations for employees in accordance with the regulations.	"FUN Relaxation - Nightly Good Sleep" targets the increase in stress among most colleagues due to the revival of the tourism industry leading to an increase in aviation business volume. This stress may affect mental health and even physical health. Therefore, mental health seminars are conducted.	A total of 358 colleagues participated in the annual physical examination, and assessments were conducted based on the examination reports, with health management provided according to the level of risk.

STARLUX conducts annual health checks for all employees, including food service staff, in compliance with the Ministry of Labor's Health Protection Rules. These regular examinations aim to detect potential health issues early, allowing for timely intervention and appropriate measures. This proactive approach not only ensures the well-being of employees but also mitigates potential risks to customers, thereby maintaining high standards of health and safety throughout the company's operations.

Health Check Execution in the Past 2 Years

Unit: TWD Thousand

Annual	2022		2023	
Employee Type	General Staff	Catering Staff	General Staff	Catering Staff
Budget Amount	1,125	10	584	10
Actual Amount Spent	209	5	555	10
Number of Executions	135	7	358	16
Amount Spent per Person	1.55	0.65	1.55	0.65

Note 1: According to Article 21 of the Labor Health Protection Regulations, employers of enterprises engaged in catering services are required to conduct regular checks for infectious diseases such as tuberculosis, hepatitis, typhoid carriers, sexually transmitted diseases, and skin diseases on their employees at the time of employment and annually.

Note 2: "General Staff" refers to employees who are not engaged in catering services, while "Catering Staff" refers to employees engaged in catering services.

6.3.6 Occupational Injury and Occupational Disease

STARLUX uses occupational injury and disease statistics to measure safety and health management effectiveness, identify root causes, and refine policies. In 2023, the company experienced one serious fall incident and saw an increase in recordable injuries compared to 2022, primarily due to increased flight operations post-pandemic and rapid staff growth. Common injuries included falls, cuts, and collisions, all addressed through labor insurance. In response, STARLUX has implemented targeted education and training programs. The company remains committed to continuous improvement of safety measures, aiming for zero occupational accidents through regular reviews and dynamic optimization of its health and safety protocols.

Occupational injury and disease data for the fiscal years 2022 and 2023

Year	Total Experienced Work Hour (Note 1)	Number of Lost Day (Note 2)	Recordable Occupational Injurie		Serious Occupational Injury		Number of Occupational Disease	Number of Work-Related Death (Note 5)
			Quantity	Ratio (Note 3)	Quantity	Ratio (Note 3)		
2022	3,024,007	3	2	0.66	—	0.00	—	—
2023	5,745,858	134	14	2.44	1	0.17	—	—

Note 1: Calculation method for the actual working hours experienced by all employees excluding the employer (including both employees and non-employee workers): Multiply the total number of working days per year by the number of working hours per day.

Note 2: Lost Days: The number of days the injured person is temporarily unable to return to work. The total number of lost days does not include the day of injury or the day of return to work. However, it should include the days in between (including Sundays, holidays, or days when the business unit is closed) and any full days unable to work after returning to work due to the disaster.

Note 3: Recordable Occupational Injury Ratio = [(Number of Recordable Occupational Injuries + Number of Deaths Due to Occupational Injuries) x 10^6] / Total Experienced Work Hours.

Note 4: Serious Occupational Injury Ratio = [(Number of Serious Occupational Injuries (excluding deaths) x 10^6] / Total Experienced Work Hours.

Note 5: Includes the number of deaths due to occupational injuries and occupational diseases.

Note 6: Incidents related to commuting accidents are not included in this table as they are not hazards caused by work-related activities or operations.

7 Public Responsibility and Social Engagement

7.1 Industry-Academia Collaboration

7.2 Community Welfare

7.3 Taiwan Brand International Promotion

7.1 Industry-Academia Collaboration

Deepening Campus Cooperation

STARLUX implements internship programs to provide students with immersive workplace learning opportunities, helping them integrate into both campus and workplace environments. Through professional training and internship activities, interns get hands-on experience close to actual work, exploring their career paths. At the same time, this provides the company with a pipeline for recruiting talented individuals to meet business needs and proactively reserve talent. The synergistic effects brought about by this industry-academia collaboration not only contribute to students' growth but also have a long-term impact on talent reserves and business development for the company.

Activity Name	Activity Description	Timeframes	Resource Allocation		Output and Achievements	
			Human Resources Allocation	Investment Amount	Number of Recruits	Benefits Generated
Ming Chuan University Internship-to-Employment Collaboration Project	Through this internship collaboration, we aim to implement corporate social responsibility and talent development programs, shaping students' future competitiveness in the workplace.	DEC 2022 to MAY 2023	Interviewers: 10 / Staff: 2	675,000	14	• Cultivating future talent and building a reserve of excellent talent in advance to ensure that the company will have a high-quality workforce in the future. • Through collaboration with academia, businesses can establish closer ties with academic research, gain new knowledge and innovative thinking, and enhance the company's innovation capabilities and competitiveness. • Providing internship programs also helps enhance the company's brand image, demonstrating its commitment to social responsibility and attracting more outstanding talent to join the company.
National Kaohsiung University of Hospitality and Tourism Internship Collaboration Project		APR 2023 to JUN 2024	Interviewers: 2 / Staff: 1	832,000	2	
Hsing Wu University Internship Collaboration Project		JUL 2023 to MAY 2024	Interviewers: 2 / Staff: 1	888,000	4	
Chang Jung Christian University Internship Collaboration Project		MAY 2023 to JUL 2024	Interviewers: 2 / Staff: 1	481,000	1	
Vanung University Internship Collaboration Project		MAY 2023 to JUL 2024	Interviewers: 2 / Staff: 1	1,443,000	4	

Note: The investment amount is the cost of student salaries (New Taiwan Dollars per Yuan), calculated as (monthly salary * number of internship months) * number of interns.

STARLUX actively partners with universities and colleges, signing memorandums of understanding to expand recruitment channels and secure a stable talent pipeline. This collaboration allows direct engagement with exceptional students, building a foundation for future talent reserves. Beyond recruitment, these partnerships explore innovative models of integrating education with practical experience, offering students broader career development opportunities. This approach not only benefits STARLUX but also enhances industry-academia cooperation, contributing to overall talent cultivation and industry advancement.

Activity Name	Activity Description	Timeframes	Resource Allocation		Output and Achievement	
			Human Resources Allocation	Investment Amount	Number of Recruits (Prospective Fresh Graduates)	Benefits Generated
STARLUX partnered with National Formosa University's Aviation Center, interviewing maintenance staff to enhance training and recruitment.	STARLUX signed an MOU with academic partners, outlining collaboration in educational visits, technology transfer, lectures, training, and industry-academia exchanges to jointly develop aviation talent.	AUG 2023 to SEP 2023	Engineering & Maintenance Personnel: 2 / HR Personnel: 1	21,080	12	• University partnerships expand recruitment channels, attracting top students to aviation. • MOUs establish long-term cooperation, fostering STARLUX's innovation and growth in the industry.
Chaoyang University of Technology: MOU Signing and Maintenance Staff Interviews.		OCT 2023 to DEC 2023	Engineering & Maintenance Personnel: 4 / HR Personnel: 3	46,600	13	
National Chengchi University: Industry-Academia MOU Signing		NOV 2023 to DEC 2023	Personnel: 5	18,000	--	

Note: The investment amount is the cost of human resources (New Taiwan Dollars per Yuan), calculated as (monthly salary per person / 30) * number of personnel + transportation expenses.

◆ Industry-Academia MOU: National Chengchi University

◆ CYUT: Industry-Academia MOU Signing

STARLUX conducted targeted campus outreach at key hospitality and tourism programs, focusing on aviation-related departments at National Kaohsiung University of Hospitality and Tourism and Ming Chuan University. These strategic seminars aimed to strengthen the company's employer brand, develop a talent pipeline, and offer industry insights to prospective recruits. By directly engaging with students in relevant fields, STARLUX positioned itself as a preferred employer in aviation, potentially reducing future recruitment costs and enhancing the quality of applicants.

Activity Name	Activity Description	Timeframes	Resource Allocation		Output and Achievement	
			Human Resources Allocation	Investment Amount	Number of Student Participants	Benefits Generated
NKUHT Aviation and Transportation Service Management Dept. Campus Seminar	Campus talks on business practices to connect with students and showcase company culture.	MAR 2023 to OCT 2023	HR Personnel: 3	Total Transportation Expenses: TWD 9,180	100	• Student-expert interaction fosters career planning and networking • Enhances talent recruitment and company reputation • Strengthens university partnerships • Lays groundwork for future talent development • Promotes technical collaboration opportunities
MCU Tourism Dept. Campus Seminar		APR 2023 to MAY 2023	HR Personnel: 4	N/A	60	

◆ National Kaohsiung University of Hospitality and Tourism Campus Seminar

◆ Ming Chuan University Campus Seminar

Aviation Summer Camp & United Daily News

In 2022, STARLUX collaborated with United Daily News to host an aviation summer camp at their Taoyuan Flight Operations Center. The eight-day program offered 50 students hands-on experience in aviation operations. Industry professionals provided lectures and practical training, aiming to inspire future careers in aviation. The two-week event, prepared over two months, involved staff from various departments. STARLUX invested TWD900,000 in this initiative, conducting two sessions to foster youth interest in the aviation sector.

Eight Exclusive Limited Edition	• Chairman-led instruction at STARLUX • Advanced equipment experience at Taoyuan Flight Operations Center • Behind-the-scenes aviation safety roles exploration • Runway and ground service vehicle tour • Pioneering airborne graduation ceremony • Exclusive graduation memorabilia • Record-breaking eight-day summer camp • Authorized flight jackets at STARLUX Shop
Ten Course Highlight	• Industry expert insights into aviation • Airport operations analysis • Professional aviation training facility observation • Hands-on aviation job training • Dispatcher role in aviation safety and planning • Veteran airport journalist's perspective • STARLUX aircraft and marketing strategies • In-depth learning at Taoyuan Flight Operations Center • Aviation-related major and admissions guidance • Program supported by experienced aviation industry mentors.

STARLUX's eight-day aviation summer camp combines classroom learning with practical experiences, offering participants a comprehensive view of the industry. Students explore various aviation environments, including tarmacs and flight simulators, gaining insights into both opportunities and challenges. This immersive approach aims to inspire and educate future aviation professionals, highlighting the industry's appeal while acknowledging its demands. By bridging theory and practice, the program effectively cultivates a new generation of well-informed aviation enthusiasts, potentially nurturing future talent for the company.

7.2 Community Welfare

The Estée Lauder Companies' Breast Cancer Campaign

Since 1992, the Estée Lauder Group has championed breast cancer awareness through Pink Ribbon campaigns, using the pink ribbon symbol. They designated October as Breast Cancer Awareness Month, inviting major corporations and celebrities to join in raising awareness.

STARLUX partnered with Estée Lauder for the Pink Ribbon Campaign in 2022 and 2023. Initially, they projected pink lighting on aircraft fuselages. In 2023, they painted a pink ribbon on an A330neo aircraft, a first for the company. During Breast Cancer Awareness Month, cabin crew and airport staff wore pink ribbons to promote the "power of pink." The painted aircraft continues to fly, raising awareness and uniting people in the fight against breast cancer, aiming to create a world free from this disease.

Furthermore, STARLUX donated two flight tickets worth TWD600,000 to the Estée Lauder Group in 2023 for a charity auction, contributing positively to social wellness.

STARLUX Airlines x ADA Christmas Charity Run

Since 2022, STARLUX has supported the ADA Christmas Charity Run, benefiting rural children's education. The annual event attracts 5,000 participants. STARLUX contributed five round-trip tickets and gifts worth TWD120,000 in 2022, increasing to TWD160,000 in 2023, showcasing its commitment to community support.

This initiative aims to provide rural children with learning opportunities, fostering knowledge acquisition, skill development, confidence building, and social skills. STARLUX believes this effort lays a foundation for these children's futures while promoting social harmony and inclusiveness.

STARLUX collaborates with Guang Fu Hao and Taiwan Foundation for the Blind

STARLUX has collaborated with Guang Fu Hao and Taiwan Foundation for the Blind to create a Braille-inspired pencil case and notebook, featuring the airline's logo and safety instructions. This initiative aims to assist visually impaired individuals and raise awareness about philanthropy.

The project, involving an investment of TWD450,000, demonstrates STARLUX's commitment to engaging the public in welfare activities and sustainably supporting the visually impaired community. Through these efforts, the airline hopes to contribute to the well-being of visually impaired individuals and protect their visual world.

STARLUX Responds to Melting Greenland Screening Project

"Melting Greenland," a documentary by Oright, UDN, and Vision Project Foundation, explores climate crises in Greenland and the Marshall Islands. Supported by global climate organizations, it's been shared with schools and corporations to raise awareness. STARLUX features the documentary on inflight entertainment from Nov 2023 to Nov 2024, promoting climate change awareness and action. View at: https://www.youtube.com/watch?v=wFSfjV4wMk4

◆ Love Blind Braille Pencil Case

◆ Safety Instructions Braille Notebook

◆ Melting Greenland Screening Project

7.3 Taiwan Brand International Promotion

7.3.1 Local Cultural Development

STARLUX Partners with Government to Launch the "Sustainable Travel Miles Accumulation Program"

STARLUX partnered with the Tainan City Government Tourism Bureau to promote local and sustainable tourism in Tainan, a premier destination with rich tourism resources. Following four months of preparation, the collaborative event offered three sets of 55,000 membership miles and STARLUX merchandise as prizes. The initiative garnered significant media attention, with over 20 news reports on the announcement day reaching a wide audience. The event's success was evident in its 8,171 transactions, 751 prize draw registrations, and 446 winners, demonstrating STARLUX's commitment to supporting regional tourism and engaging with local communities.

7.3.2 International Sports Events

### Supporting Taiwan Tennis Talent: The Tsai Brothers Sponsorship Program

Since 2023, STARLUX has sponsored young Taiwanese tennis players Tsai Kai-cheng and Tsai Bing-huan, sons of former Taiwanese tennis champion Tsai Chia-yen. Recognized for their outstanding potential, STARLUX supports their growth through flight ticket sponsorships. In appreciation, the Tsai brothers display the STARLUX logo on their uniforms and participate in the airlines promotional activities and interviews.

This sponsorship initiative promotes STARLUX commitment to national sports development across diverse audiences, particularly those interested in tennis and young Taiwanese athletes progress. In 2023, STARLUX provided nine flight ticket sponsorships, marking a significant milestone in the company's sports sponsorship program.

Cheering for the Chinese Taipei Baseball Team: Asia Professional Baseball Championship

STARLUX supported the Chinese Taipei baseball teams participation in the Asia Professional Baseball Championship in Japan by providing transportation, sports towels, and a send-off event with frontline staff. The Corporate Communications Department coordinated this initiative, valued at approximately TWD30,000, enabling STARLUX to connect with baseball fans and demonstrate its commitment to national sporting events.
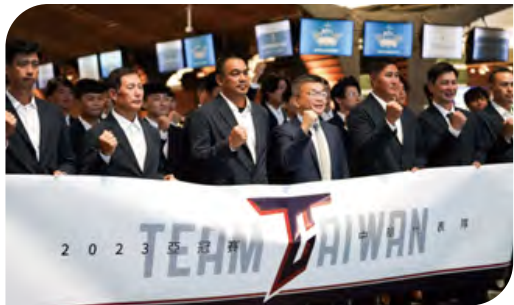
Appendix

Appendix I: GRI Standards Index Table

Appendix II: SASB Index Table

Appendix III: TCFD Index Table

Appendix IV: Third-Party Verification Statement

Appendix I: GRI Standards Index Table

Statement of use	STARLUX Airlines has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s	

GRI Standard	Disclosure	Location	Reason / Explanation
	GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	10	1.1.1 Company Profile
	2-2 Entities included in the organization's sustainability reporting	6	About This Report
	2-3 Reporting period, frequency and contact point	6	About This Report
	2-4 Restatements of information	6	About This Report
	2-5 External assurance	6	About This Report
	2-6 Activities, value chain and other business relationships	66	3.3.1 STARLUX Airlines Value Chain
	2-7 Employees	119	6.1.2 Workforce Structure and Diversity in the Workplace
	2-8 Workers who are not employees	119	6.1.2 Workforce Structure and Diversity in the Workplace
	2-9 Governance structure and composition	26	2.1.1 Company Structure and Composition of the Board of Directors
	2-10 Nomination and selection of the highest governance body	29	2.1.2 Board of Directors Member Nomination and Selection
	2-11 Chair of the highest governance body	29	2.1.2 Board of Directors Member Nomination and Selection
	2-12 Role of the highest governance body in overseeing the management of impacts	33	2.1.6 Sustainable Governance
	2-13 Delegation of responsibility for managing impacts	19、33	1.2 ESG Governance Structure 2.1.6 Sustainable Governance
	2-14 Role of the highest governance body in sustainability reporting	22、33	1.4 Identification and Analysis pof Major Themes 2.1.6 Sustainable Governance
	2-15 Conflicts of interest	29	2.1.2 Board of Directors Member Nomination and Selection
	2-16 Communication of critical concerns	22、33	1.4 Identification and Analysis pof Major Themes 2.1.6 Sustainable Governance
	2-17 Collective knowledge of the highest governance body	26	2.1.1 Company Structure and Composition of the Board of Directors

GRI Standard	Disclosure	Location	Reason / Explanation
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	30、33	2.1.4 Performance Evaluation 2.1.6 Sustainable Governance
	2-19 Remuneration policies	32	2.1.5 The Remuneration Policy
	2-20 Process to determine remuneration	32	2.1.5 The Remuneration Policy
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	123	6.1.3 Enhanced Compensation System
	2-22 Statement on sustainable development strategy	4	Message from the Management
	2-23 Policy commitments	35、118	2.2.1 Anti-Corruption Communication and Educational Training 6.1.1 Promoting Workplace Human Rights Protection
	2-24 Embedding policy commitments	35、118	2.2.1 Anti-Corruption Communication and Educational Training 6.1.1 Promoting Workplace Human Rights Protection
	2-25 Processes to remediate negative impacts	NA	The management guidelines for major themes in each chapter: "Negative Impact Management" Content
	2-26 Mechanisms for seeking advice and raising concerns	38	2.2.3 Whistleblower System
	2-27 Compliance with laws and regulations	45	2.5 Regulatory Compliance
	2-28 Membership associations	18	1.1.3 Participation in Industry Associations
	2-29 Approach to stakeholder engagement	20	1.3 Stakeholder Engagement and Communication
	2-30 Collective bargaining agreements	-	No collective agreements were signed in 2023
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22	1.4 Identification and Analysis pof Major Themes
	3-2 List of material topics	22	1.4 Identification and Analysis pof Major Themes
Flight Safety and Security			
	3-3 Management of material topics	72	Chapter 4 - Flight Safety and Security

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GRI Standard	Disclosure	Location	Reason / Explanation
Information Security and Customer Privacy			
3-3 Management of material topics		41	2.4 Information Security and Customer Privacy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	43	2.4.3 Cybersecurity Incident Reporting and Response Process
Business Ethics and Integrity			
3-3 Management of material topics		34	2.2 Ethical Integrity
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	35	2.2.1 Anti-Corruption Communication and Educational Training
	205-2 Communication and training about anti-corruption policies and procedures	35	2.2.1 Anti-Corruption Communication and Educational Training
	205-3 Confirmed incidents of corruption and actions taken	35	2.2.1 Anti-Corruption Communication and Educational Training
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35	2.2.1 Anti-Corruption Communication and Educational Training
Energy and Greenhouse Gas Management			
3-3 Management of material topics		88	5.1 Energy and Greenhouse Gas Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	90	5.1.2 Energy Usage Overview
	302-2 Energy consumption outside of the organization	90	5.1.2 Energy Usage Overview
	302-3 Energy intensity	96	5.1.4 Reduction and Energy-Saving Measures
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	93	5.1.3 Greenhouse Gas Management
	305-2 Energy indirect (Scope 2) GHG emissions	93	5.1.3 Greenhouse Gas Management
	305-4 GHG emissions intensity	93	5.1.3 Greenhouse Gas Management
	305-5 Reduction of GHG emissions	96	5.1.4 Reduction and Energy-Saving Measures
Brand Strategy and Development			
3-3 Management of material topics		48	3.1 Brand Strategy and Development
Occupational Safety and Health			
3-3 Management of material topics		133	6.3 Occupational Safety and Health

GRI Standard	Disclosure	Location	Reason / Explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	134	6.3.1 Occupational Safety and Health Policy and Management System
	403-2 Hazard identification, risk assessment, and incident investigation	132、133	6.3.2 Hazard Identification and Risk Assessment Management 6.3.3 Occupational Accident Investigation Procedure
	403-3 Occupational health services	139	6.3.5 Occupational Health Services and Promotion Activities
	403-4 Worker participation, consultation, and communication on occupational health and safety	134	6.3.1 Occupational Safety and Health Policy and Management System
	403-5 Worker training on occupational health and safety	138	6.3.4 Occupational Safety and Health Education and Training
	403-6 Promotion of worker health	139	6.3.5 Occupational Health Services and Promotion Activities
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	136、137	6.3.2 Hazard Identification and Risk Assessment Management 6.3.3 Occupational Accident Investigation Procedure
	403-8 Workers covered by an occupational health and safety management system	134	6.3.1 Occupational Safety and Health Policy and Management System
	403-9 Work-related injuries	141	6.3.6 Occupational Injury and Occupational Disease
	403-10 Work-related ill health	141	6.3.6 Occupational Injury and Occupational Disease
Customer Satisfaction and Innovative Services			
3-3 Management of material topics		58	3.2 Customer Satisfaction and Innovative Services
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	60	3.2.2 Customer Relationship Management
	417-2 Incidents of non-compliance concerning product and service information and labeling	60	3.2.2 Customer Relationship Management
	417-3 Incidents of non-compliance concerning msarketing communications	60	3.2.2 Customer Relationship Management
Other Topics			
GRI 200：Economic			
Economic Performance and Strategy, Climate Change Mitigation and Adaptation			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	17、60	1.1.2 Operational and Financial Status 3.2.2 Customer Relationship Management
	201-2 Financial implications and other risks and opportunities due to climate change	111、112	5.3.2 Climate Risk Management 5.3.3 Climate Change Response Strategy
	201-3 Defined benefit plan obligations and other retirement plans	127	6.2.2 Diverse Employee Benefits
	201-4 Financial assistance received from government	17	1.1.2 Operational and Financial Status

GRI Standard	Disclosure	Location	Reason / Explanation
Procurement Strategy and Supply Chain			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	60	3.3.2 Supply Chain Management
GRI 300：Environmental			
Environmental Protection and Sustainable Resource Cycling			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	104	5.2.4 Water Resource Management
	303-2 Management of water discharge-related impacts	107	5.2.6 Wastewater Discharge Management
	303-3 Water withdrawal	106	5.2.5 Water Intake, Consumption, and Discharge
	303-4 Water discharge	106	5.2.5 Water Intake, Consumption, and Discharge
	303-5 Water consumption	106	5.2.5 Water Intake, Consumption, and Discharge
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	98	5.2.1 Waste Management System
	306-2 Management of significant waste-related impacts	98	5.2.1 Waste Management System
	306-3 Waste generated	99	5.2.2 Waste Generation
	306-4 Waste diverted from disposal	99	5.2.2 Waste Generation
	306-5 Waste directed to disposal	99	5.2.2 Waste Generation
GRI 400：Society			
Employee Diversity and Equal Opportunity, Talent Development and Retention			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	125	6.2.1 New Hires and Turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	127	6.2.2 Diverse Employee Benefits
	401-3 Parental leave	128	6.2.3 Parental Leave
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	129	6.2.4 Talent Development Management
	404-2 Programs for upgrading employee skills and transition assistance programs	127、129	6.2.2 Diverse Employee Benefits 6.2.4 Talent Development Management
	404-3 Percentage of employees receiving regular performance and career development reviews	131	6.2.5 Performance Evaluation Mechanism
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	118	6.1.2 Workforce Structure and Diversity in the Workplace
	405-2 Ratio of basic salary and remuneration of women to men	122	6.1.3 Enhanced Compensation System

Appendix II, SASB Index Table

Topic	Code	Metric	2023 Performance	Corresponding Topic	Corresponding Section
Greenhouse Gas Emissions	TR-AL-110a.1	Gross global Scope 1 emissions	According to ISO 14064-1:2018, the greenhouse gas inventory was first completed in the year 2023.	Energy and Greenhouse Gas Management	5.1.3 Greenhouse Gas Management
	TR-AL-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	• Short-term carbon reduction goals include using at least 5% sustainable aviation fuel (SAF) for new aircraft delivery flights according to Airbus policy, and using high-efficiency LED lights in offices to save 60% of energy consumption. • Medium to long-term carbon reduction goals include electrification of ground vehicles, aiming for 60% by 2030; digitization of operational aircraft systems, aiming for 90% by 2030; and reaching 5% in the use of sustainable aviation fuel (SAF) by 2035.		5.1.1 Energy Management
	TR-AL-110a.3	(1) Total fuel consumed (2) percentage alternative (3) percentage sustainable	In 2023, one flight of the new A350-900 aircraft was completed using sustainable aviation fuel (SAF). Here are the details: (1) Total aviation fuel consumption: 7,779,308.64 (in Kilojoules). (2) Percentage of fuel substituted: 0.0023%. (3) Percentage of sustainable fuel: 0.0023%.		5.1.2 Energy Usage Overview
Labor Practices	TR-AL-310a.1	Percentage of active workforce employed under collective agreements	no group agreements signed in 2023	—	6.1.4 Smooth Communication Channels
	TR-AL-310a.2	(1) Number of work stoppages (2) total days idle	no strikes or shutdown events occurred in 2023		
Competitive Behavior	TR-AL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations 2	0 instances of downtime or idle days in 2023	Business Ethics and Integrity	2.2 Ethical Integrity 2.5 Regulatory Compliance
Accident & Safety Management	TR-AL-520a.1	Description of implementation and outcomes of a Safety Management System	STARLUX Airlines has established clear safety policies and objectives in accordance with national civil aviation regulations and international civil aviation organization manuals. This includes ensuring adequate resources to support safety activities, implementing continuous hazard identification and risk management, regularly monitoring safety performance, and providing effective communication mechanisms and safety training involving all staff members. These measures enable the organization to comprehensively and effectively manage flight safety (please refer to section 4.1.2 Safety Management System).	Flight Safety and Security	4.1.2 Safety Management System
	TR-AL-520a.2	Number of aviation accidents	Since its inception in 2020 until 2023, STARLUX Airlines has not experienced any major accidents.		4.2.1 Aviation Safety Indicators
	TR-AL-520a.3	Number of governmental enforcement actions of aviation safety regulations	In 2023, there were a total of 3 fines and 2 warnings issued by the government for mandatory enforcement actions related to aviation safety regulations.		2.5 Regulatory Compliance

Topic	Code	Disclosure Metrics	Introduction	2022	2023
Activity Metric	TR-AL-000.A	Available seat kilometers (ASK)	Note to TR-AL-000.A – Available seat kilometers (ASK) is defined as the maximum potential cumulative kilometers travelled by passengers (kilometers travelled by occupied and unoccupied seats).	2,067,133,000	8,310,358,000
	TR-AL-000.B	Passenger load factor	Note to TR-AL-000.B – Load factor is a measure of capacity utilization and is calculated as passenger kilometers travelled divided by available seat kilometers	34.90%	76.39%
	TR-AL-000.C	Revenue passenger kilometers (RPK)	Note to TR-AL-000.C – Revenue passenger kilometers (RPK) is defined as the cumulative total kilometers travelled by revenue passengers. A revenue passenger is a passenger for whose transportation an air carrier receives commercial remuneration.	721,344,000	6,348,072,000
	TR-AL-000.D	Revenue ton-kilometers (RTK)	Note to TR-AL-000.D – Revenue ton-kilometers (RTK) is defined as one metric ton of revenue traffic transported one kilometer. RTK is computed by multiplying the aircraft kilometers flown on each flight stage by the number of metric tons of revenue traffic carried on that flight stage (for example, passengers, luggage, freight, and mail)	39,046,000	128,175,000
	TR-AL-000.E	Number of departures	NA	4,760	15,585
	TR-AL-000.F	Average age of fleet	NA	1.1	1.9

Appendix III, TCFD Index Table

	TCFD Recommended Disclosure	Climate-Related Information of Listed and Over-The-Counter Company	Additional Explanation	Corresponding section
Governance				
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	• Description of the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	--	5.3.1 Climate Governance
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.		--	5.3.1 Climate Governance
Strategy				
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	• Explanation of how the identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	--	5.3.3 Climate Change Response Strategy
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	• Description of the impact of extreme weather events and transition actions on finances.	--	5.3.3 Climate Change Response Strategy
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	• If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and key financial impacts.	--	5.3.3 Climate Change Response Strategy
Risk Management				
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.		--	5.3.2 Climate Risk Management
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.	• Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	--	5.3.2 Climate Risk Management
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		--	5.3.2 Climate Risk Management
Metrics and Targets				
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	• If there is a transformation plan to address climate-related risks, describe the contents of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	STARLUX Airlines has not utilized internal carbon pricing as a planning tool and has also not used carbon offsetting or renewable energy certificates.	5.3.4 Indicators and Goals
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	• If internal carbon pricing is used as a planning tool, explain the basis for price determination. • If climate-related targets are set, provide information on the activities covered, scope of greenhouse gas emissions, planning schedule, annual progress, etc. If carbon offsetting or renewable energy certificates are used to achieve related goals, explain the source and quantity of carbon credits offset or the number of renewable energy certificates.		5.1.3 Greenhouse Gas Management
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• Greenhouse gas inventory and assurance status.		5.3.4 Indicators and Goals

Appendix IV: Third-Party Verification Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

STARLUX Airlines Co., Ltd. 2023 Sustainability Report

The British Standards Institution is independent to STARLUX Airlines Co., Ltd. (hereafter referred to as STARLUX Airlines in this statement) and has no financial interest in the operation of STARLUX Airlines other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of STARLUX Airlines only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by STARLUX Airlines. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to STARLUX Airlines only.

Scope

The scope of engagement agreed upon with STARLUX Airlines includes the followings:
1. The assurance scope is consistent with the description of STARLUX Airlines Co., Ltd. 2023 Sustainability Report.
2. The evaluation of the nature and extent of the STARLUX Airline's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the STARLUX Airlines Co., Ltd. 2023 Sustainability Report provides a fair view of the STARLUX Airlines sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the STARLUX Airlines and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate STARLUX Airline's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that STARLUX Airline's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:
— a review of issues raised by external parties that could be relevant to STARLUX Airline's policies to provide a check on the appropriateness of statements made in the report.
— discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
— 15 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
— review of key organizational developments.
— review of the findings of internal audits.
— review of supporting evidence for claims made in the reports.
— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that STARLUX Airlines has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the STARLUX Airline's inclusivity issues.

Materiality

STARLUX Airlines publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of STARLUX Airlines and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the STARLUX Airline's management and performance. In our professional opinion the report covers the STARLUX Airline's material issues.

Responsiveness

STARLUX Airlines has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for STARLUX Airlines is developed and continually provides the opportunity to further enhance STARLUX Airline's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the STARLUX Airline's responsiveness issues.

Impact

STARLUX Airlines has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. STARLUX Airlines has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the STARLUX Airline's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

STARLUX Airlines provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures to stakeholder concerns are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the STARLUX Airline's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the STARLUX Airline's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

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2024-05-02

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