

Corporate Social Responsibility

Best Practice Principles

For

Wan Hai Lines Ltd.

Chapter 1 General Principles

Article 1

The Principles has been stipulated according to the *Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies* in order to assist the Company to fulfill its corporate social responsibility and to promote economic, environmental and social advancement for purposes of sustainable development, and to provide a standard conformance for the management and all employees of the Company. The purpose of the Principles is to manage overall corporate activities and their impact to the economy, environment and social risks.

Article 2

The scope of the Principles applies to the entire operations of the Company and its business group. The Principles encourages the Company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of the employees, the community and society by acting as responsible corporate citizens, and to improve the competitiveness edges built on corporate social responsibility.

Article 3

The Company hopes to cater both the expectations and rights of the stakeholders, and communicate with the stakeholders by publishing related reports. Hence, while fulfilling its corporate social responsibility, the Company shall identify potential stakeholders that may contact or affect in order to understand their requirements and expectations for the Company and, while pursuing sustainable operations and profit, also give due consideration to the factors of the environment, society, and corporate governance and incorporate said factors into management guidelines and business activities of the Company.

Article 4

To implement corporate social responsibility, the Company shall follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Value employee care.
5. Enhance customer service.
6. Strengthen suppliers management.
7. Disclose corporate social responsibility information.

Article 5

The Company shall take into consideration the correlation between development trends of domestic and international corporate social responsibility and corporate core operations, and the effect of the operations of the Company and of its business groups as a whole on stakeholders, in establishing its corporate social responsibility policies, system or relevant management guidelines, and concrete promotion plans, which shall be approved by the Board of Directors. When a shareholder proposes a motion involving corporate social responsibility, the Board of Directors of the Company is advised to review and consider including the motion with discretion in the shareholders' meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6

The Company is advised to establish an effective corporate governance framework and relevant ethical standards to enhance corporate governance.

Article 7

The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The Board of Directors of the Company is advised to give full consideration to the interests of stakeholders which includes the following matters in the company's performance of its corporate social responsibility initiatives:

1. Proposing the Company's social responsibility mission or vision, and stipulating its corporate social responsibility policies, system or relevant management guidelines.
2. Including corporate social responsibility as part of the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility.
3. Ensuring the timeliness and accuracy of the disclosure of corporate social responsibility information.

The Board of Directors shall appoint executive-level positions with responsibility for economic, environmental social issues resulting from the business operations of the Company, and to report the status of the said handling to the Board of Directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

The Company shall organize education and training as needed on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of robust management of corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, relevant management guidelines and concrete promotional plans, and to report on the same to the Board of Directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization and are aligned with the interests of the stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10

The Company shall, based on respect for the rights and interests of the stakeholders, identify stakeholders of the Company and establish a designated section for the stakeholders on the website of the Company; and understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which stakeholders are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment, and endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company is advised to endeavor to utilize all resources more efficiency and to use renewable resources which have a low impact on the environment in order to improve the sustainability of natural resources.

Article 13

The Company shall establish a suitable environmental management system based on the characteristics of the maritime industry. Such system shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examining the said goals on a regular basis.
3. Adopting implementation measures such as concrete plans or action plans, and examining the results of the operations on a regular basis.

Article 14

The Company establishes a dedicated (or concurrently) responsible unit or assign dedicated personnel for drafting, promoting and maintaining relevant environment management system and concrete action plan, and should hold environment education courses on a regular basis.

Article 15

The Company is advised to take into consideration the effect of vessel operations on ecological efficiency, promote and advocate the concept of sustainable consumption and conduct planning, procurement, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from the business operations of the Company:

1. Reduce resource and energy consumption of services provided.
2. Reduce emission of pollutants, toxins, and waste, and dispose of waste properly.
3. Maximize the sustainability of renewable resources.
4. Enhance the durability of business assets.
5. Improve service performance.

Article 16

The Company shall enhance environmental protection treatment facilities to avoid polluting the water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company is advised to monitor the impacts of climate change on its operations and should establish company strategies for energy conservation and greenhouse gas reduction based upon its operations. Such strategies should be implemented to minimize the impact of its operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations to enhance community acceptance. The Company is advised to, through equity investments, commercial activities, endowments, corporate volunteering services, or other charitable professional services ... etc, dedicate resources to organizations that commercially resolve social or environmental issues, or participate in events held by civil organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Valuing Employee Care

Article 19

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall stipulate business activities, internal management policies, and handling procedures, and shall disclose the processes for handling of the matter to with respect to the stakeholders involved.

The Company shall comply with internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups,

prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that the use of its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure the equality and transparency of the grievance process. The channels of grievance mechanism shall be clear, convenient to use, and unobstructed, and the Company shall provide an appropriate response to any employee's grievance in an appropriate manner.

Article 20

The Company is advised to provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 21

The Company is advised to endeavor to provide a safe and healthful work environment for its employees, including the provision of necessary health and first-aid facilities, in order to curb dangerous factors to the safety and health of the employees and to prevent occupational accidents. The Company is advised to organize training on safety and health for the employees on a regular basis.

Article 22

The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy in order to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.

Article 23

The Company shall establish a channel to facilitate regular communication and two-way dialog between the management and the employees for the employees to obtain relevant information and right in order to express their opinions on the company's operations, management and decisions of the Company.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve negotiation and cooperation among employers, employees, and the employee

representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Chapter 6 Improving Customer Service

Article 24

The Company shall take responsibility for the services it provides and take marketing ethics seriously. The Company shall ensure the transparency and safety of service information during the processes of planning, procurement, operation, and service, and enforce relevant measures in business operations to prevent services from adversely impacting the rights, interests and safety of consumers.

Article 24-1

When facing customers, the Company is advised to select a fair and reasonable method that is appropriate, and stipulate strategies and concrete measures of implementation upon carefully review of the services provided and nature of its operations from the Company.

The following provides examples of the fair and reasonable method mentioned in the preceding paragraph:

1. Adherence to the principles of mutual benefit, fairness, and good faith in contracting.
2. Exercising obligations of due care and integrity when accepting a commission from a customer.

Article 25

The Company shall refer to the laws and regulations of the government regulations and relevant standards of the industry to ensure service quality.

The Company shall follow relevant laws, regulations and international guidelines when marketing and labeling its services, and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 26

The Company is advised to evaluate and manage all types of risks that could cause interruptions in its operations, so as to reduce the impact of the said risks on consumers and society.

The Company is advised to provide a transparent and effective procedure for accepting consumer complaints to handle consumer complaints in fairly and timely, and shall comply with laws and regulations related to the *Personal Information Protection Act* for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Chapter 7 Strengthen Supplier Management

Article 27

The Company is advised to assess the impact of its procurement has on the environment of the community and society that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, The Company is advised to assess whether a supplier has any impacting record on the environment and society in order to avoid conducting transactions with those against social responsibility policy of the Company.

When the Company enters into a contract with any of its major suppliers, the contents of contract are advised to include terms stipulating mutual compliance with corporate social responsibility policies of both parties and that the contract may be terminated or rescinded at any time if the supplier has violated such policies and caused significant negative impact on the environment and society of the community of the supply source.

Chapter 8 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28

The Company shall disclose information according to relevant laws, regulations and its corporate governance best practice principles, and shall fully disclose relevant and reliable information related to its corporate social responsibility initiatives to improve information transparency. The relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, system, or relevant management guidelines and concrete promotion plans for corporate social responsibility initiatives as resolved by the Board of Directors.
2. The risks and impacts on the corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing corporate social responsibility initiatives established by the Company and implementation performances.
4. Major stakeholders and their concerns.
5. Disclosure of information on the management and performance of major suppliers with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 29

The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, in order to disclose the status of its implementation of corporate social responsibility initiatives and improve information reliability. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of social public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 9 Supplementary Provisions

Article 30

The Company shall, at all times, monitor the development of domestic and international corporate social responsibility standards and changes of business environment so as to examine and improve the corporate social responsibility system that the Company has established, and in order to improve the performance of the implementation of corporate social responsibility initiatives.

Article 31

The Principles shall be implemented with the approval of the Board of Directors. The same shall be applied to any change hereto.

The Principles were stipulated on November 11, 2015.

The Principles were revised on May 11, 2017.