

Chung Hwa Pulp Corporation

Regulations on the Establishment of the Corporate Social Responsibility Committee

Article 1 The Company has established the Corporate Social Responsibility Committee (hereinafter referred to as the CSR Committee) to ensure the implementation of the corporate social responsibility policies. The Committee is the highest-ranking corporate social responsibility organization and it oversees the Company's corporate social responsibilities and the formulation of the Company's corporate social responsibilities and sustainable development. The Committee includes five teams which are responsible for implementing the resolutions of the Committee. The Committee also periodically reviews the performance and progress of implementation.

Article 2 The Committee consists of the Chairman who serves as the Chairman of the Committee, General Manager, Chief Financial Officer, and the highest-ranking officers of the departments. In addition to routine meetings of the committee members and conveners of the teams, the Chairman shall also invite team members to participate in meetings based on the agenda.

Article 3 The Committee shall in principle convene once every six months and the meetings may be flexibly adjusted if necessary. It shall be convened at least once every year. Where necessary, the Chairman may convene unscheduled ad hoc meetings.

Article 4 The items to be reviewed or registered by the Committee are as follows:

- (I) Review of annual targets for various CSR work scopes;
- (II) Review or registration of the implementation plans for various CSR work scopes;
- (III) Follow-up on the implementation status of CSR activities and review of actual performance;
- (IV) Review and approval the standards for producing the CSR report;
- (V) Review or registration of other CSR-related affairs.

Article 5 The work teams are divided into teams that focus on issues of concern of different stakeholders and the work functions planned by related departments of the Company. The conveners of the work teams are assigned by the Chairman and the work teams consist of representatives managed or assigned by related units. The functions of the work team are detailed in the Appendix.

Article 6 Responsibilities of the work teams

- (I) The work teams are responsible for formulating plans for the issues specified in the preceding subparagraphs or based on instructions of the Committee. They shall submit plans to the Committee for review or registration and they may bring related personnel to attend the reports. The issues discussed by the teams shall include the substantial and responsive parts of the issue.
- (II) Following the approval of the Committee, the teams shall lead related departments and units in discussing the implementation methods for the issues.
- (III) The teams shall collect information and follow up on the implementation status of departments. The conveners of the teams shall report related implementation status in the Committee.
- (IV) The teams shall cooperate with the CSR Office in drafting the Corporate Sustainability Report.

Article 7 Records shall be formulated for the resolutions or items passed in the discussions of the Committee and they shall be transferred to the work teams under the Committee for implementation.

Article 8 The conveners of the teams shall elect a Director-General for each team to take charge of the communication and coordination of affairs of the team. The Director-General shall also be responsible for providing related information for the team.

Article 9 The CSR Office is the operations unit of the Committee. It shall be responsible for managing the routine collaboration and work between teams of the Committee as well as arranging the organization of meetings, agendas, information submitted by each work team, recordkeeping, and following up on instructions given in meetings based on the orders of the Chairman. Its other duties are as follows:

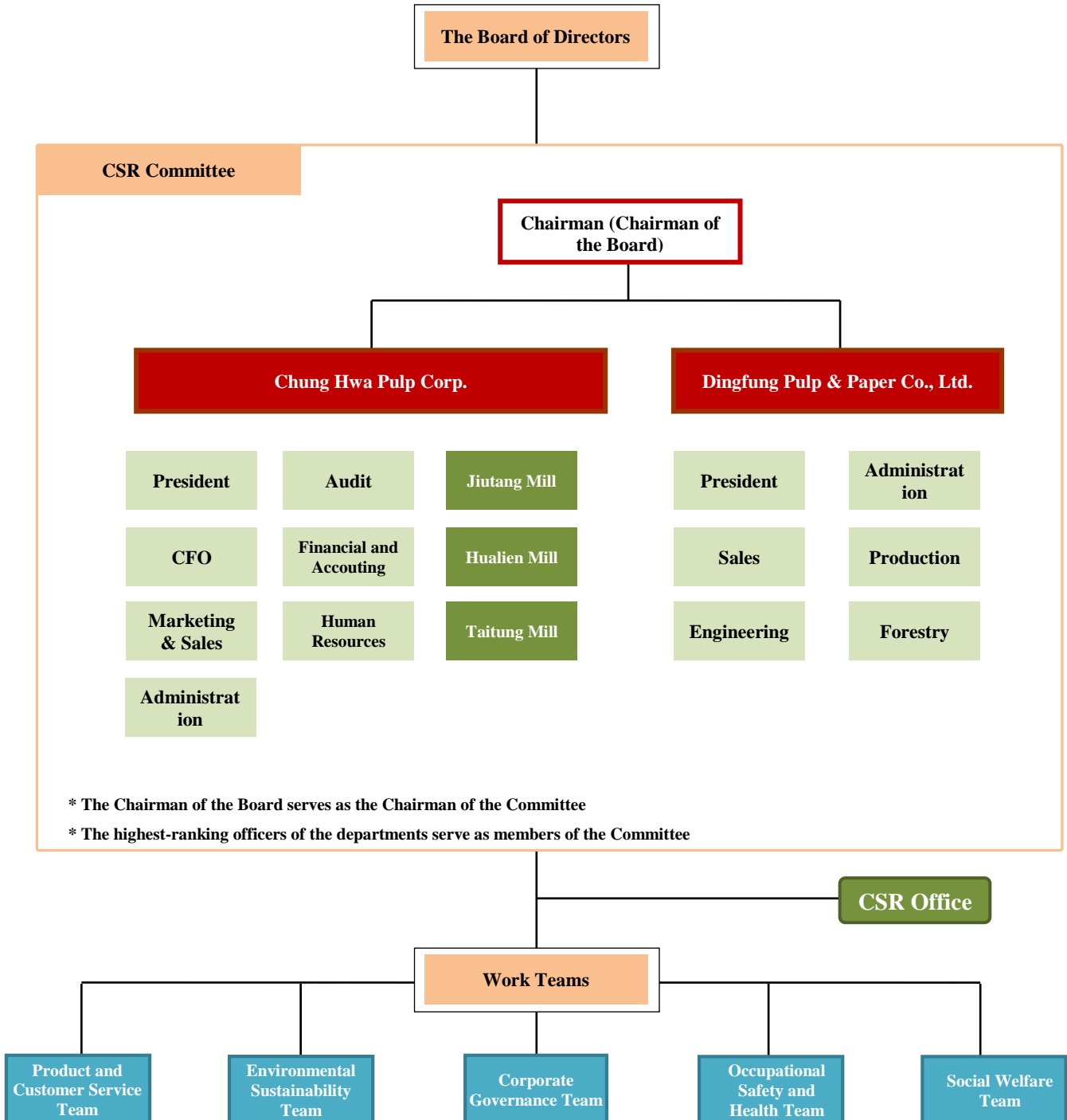
- (I) Serve as important contact window of the Company's CSR mechanisms.
- (II) Coordinate and implement the Company's related CSR activities.
- (III) Plan and draft the structure of the CSR Report including the scope, boundaries, application of indicators, and verification and preparation of related items.
- (IV) Draft the annual work and budget for CSR activities.
- (V) Produce the annual CSR Report including the organization of related information, drafting the text, and editing the layout required for the formulation of the CSR Report as well as webpage designs.

Article 10 The Regulations shall be implemented after the approval of the Chairman and the same shall apply to any amendments.

Article 11 The Regulations were established on June 16, 2016.

Appendix 1 Organization Chart of the Committee

CHP CSR Committee Organization



Appendix 2 Work Teams

Team	Functions
(I) Corporate Governance Team	<p>The Team mainly communicates with shareholders and competent authorities.</p> <p>The Team aims to satisfy their expectation for the legal and honest business practices, continuous profitability and stable growth. The Team shall discuss and formulate response to issues that the Company must face and consider to achieve sustainable development and strengthen the organization of the Company for resolution by the Committee in order to maintain the mutual dependency between the Company and the aforementioned stakeholders.</p>
(II) Social Welfare Team	<p>The Team mainly communicates with employees of the Company, community residents, and regular social groups.</p> <ol style="list-style-type: none"> 1. For employees, the Company must provide a safe and harmonious work environment and protect employee rights and it must also consider issues for professional cultivation and employees' career plans to maintain good labor/management relations and work together for the sustainable growth of the Company. 2. In terms of social participation, the Team works with education institutions for remote areas as well as cultural and education organizations to propose appropriate measures for fulfilling the Company's responsibilities as corporate citizens. 3. The Team also discusses related CSR issues derived from the life cycle of product production such as human rights protection and labor safety to jointly create a harmonious environment for all.
(III) Environmental Sustainability Team	<p>The Team is responsible for implementing related environmental protection measures for the Company and proposing plans while periodically following up on the implementation status of related departments to achieve the goal of zero effluent and zero emissions. The Team shall explore product life cycles and adopt economic and feasible methods for improvements and reduce the risks of environmental impacts.</p>
(IV) Occupational Safety and Health Team	<p>The Team focuses on specific policies for the work environmental and occupational safety and health to create a safe work environment and protect employees' health. The Team considers the risks of occupational hazards and formulates risk management objectives and strategies for reports to the Committee to contribute to a safe occupational environment. The Team periodically reviews the effectiveness of occupational safety and health management and proposes suggestions to the Committee for discussion.</p>

(V) Product and Customer Service Team	The Team advances the research and development of technologies for reusing resources and leftover materials to create green products. The Team improves related tasks for customer services and quality to improve service quality and customer satisfaction while protecting customers' interests.
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