

Corporate Responsibility

The OOIL Group prides itself upon being a responsible corporate citizen and it employs the highest standards of business ethics in all that it does. Headed by a senior management Steering Committee and a Global Security, Safety and Environment Protection Officer, the Group embraces the Core Value of Community Responsibility at all levels.

SECURITY

The issue of security has always been at the top of the Group's list of priorities. In relation to the more recent rules and regulations, certified as a Customs-Trade Partnership Against Terrorism ("C-TPAT") member, a scheme launched by the US Customs and Border Protection ("CBP") to improve maritime security, OOIL remains committed to the security of its operations against possible compromise and to the maintenance of the highest level of compliance in security related areas.

The Group has developed a Corporate Security Policy and has established internal guidelines, which also are in compliance with C-TPAT, in recognition of the fact that we have the responsibility to ensure the safety and integrity of all our employees, both on shore and at sea, of our managed ships, our customers' cargoes and our port facilities. We must and do therefore, offer our complete co-operation to the Authorities including the Governments of all States in their efforts against any act that would impinge upon maritime or cargo security.

OOIL has also implemented internal security checks to all of its holdings. Its security profile has been validated by CBP, who have physically checked the offices and facilities of OOIL including terminals, warehouses, depots and vessels. CBP concluded that OOIL has demonstrated effective security throughout the organisation as well as a dedication to working with others to strengthen any supply chain security vulnerabilities that might exist. That is the essence of C-TPAT and CBP highly appreciates OOIL's full co-operation.

Our company meets the International Ship and Port Facility Security Code (ISPS Code). Compliance with the ISPS Code ensures that security threats are detected/assessed and that preventative measures be in place on our vessels and at our port facilities. A designated officer on each ship and at each port facility reports to the Company Security Officer who oversees the security plans, drills, and training. With this in place, all our vessels have an exemplary record containing zero breaches of security and totally clean detention records.

The Group's US terminals are all fully compliant with the US Department of Homeland Security and the US Coast Guard marine facility security regulations. In accordance with the Canada Border Services Agency ("CBSA") regulations, although now sold the Group's former terminals in Vancouver are certified to the Transport Canada Marine Transportation Security Regulations ("MTSR") with all the required Certified Security Plans in place. The MTSR Code follows the requirements of the International Ship and Port Facility regulations. TSI in Vancouver is also a member of the Partners in Protection Programme ("PIP") which is administered by the CBSA. It was developed to foster co-operation, to enhance Border Security and to assist in the fight against the illegal movement of contraband into and out of Canada. This PIP Code parallels all the security requirements of the C-TPAT Code in the US. In addition, the Group's Canadian terminals are fully compliant with all Transport Canada Marine Security and Transport Canada Coast Guard regulations.

In addition, to provide world class quality and secure information to customers and partners, our Global Data Centre has also achieved BS7799 certification.

ENVIRONMENT

OOIL fully endorses and embraces a policy under which safety and the protection of the environment are foremost and has formulated a Safety and Environmental Protection Statement that governs this area of its business.

The Group's Core Value of Community Responsibility as regards environmental concern is communicated to all employees through the induction program for new employees. A management system, comprising committees at various levels with members from senior management to functional specialists of the Group, is in place to steer the direction of safety, security and environmental protection policies and initiatives; and to support the implementation.

The Group's modern fleet has constantly been recognised as containing 'quality ships' in both operational safety and environmental protection. The continuation of the Qualship 21 ("Quality Ship") certification of our vessels by the US Coast Guard demonstrates our dedication to high standards. In governing our fleet, we have a well-established Safety, Quality, and Environmental ("SQE") management system. OOIL is the first container shipping line, and in the first ten of all companies globally, to achieve SQE certification accredited by the American Bureau of Shipping ("ABS"). Certificated standards such as ISO 14001 and ISM were built into our daily fleet operations from very early on. With a well-trained staff at sea and onshore, we live up to one of the most rigid safety and pollution-prevention standards in the world.

In recent years, climate change has taken centre stage in the environmental arena and in the industry. While we comply with all IMO Marpol 73/78 standards such as the use of NO_x-controlled engines and low sulphur fuel, OOCL simultaneously takes proactive and innovative measures to reduce emissions. Currently, and in conjunction with our suppliers, we are studying the use of Sea Water Scrubber technology on vessels which is anticipated to virtually eliminate sulphur emissions in the air.

Fuel efficiency (i.e. the control of fuel consumption) is the key initiative in reducing carbon dioxide (CO₂) emissions. At OOCL, it includes such measures as real-time vessel controls (weather routing), a ballast water minimisation programme, optimal speed cruising and trim, as well as various other initiatives. Our excellent performance has once again allowed us to enjoy a dockage reduction rate and won us the Green Flag award in consecutive years for our 100% compliance with the Voluntary Speed Reduction Program in the Port of Long Beach.

Our commitment to safety, security, and environmental protection is an initiative throughout our supply chain. The company offers an extensive network of trunk, feeder and barge services which encourage the use of sea transport, the most environmentally friendly mode of cargo transportation. Trucking and rail transport are used only for inland locations which cannot be reached by water borne transport. All trucks owned by OOIL companies are maintained in the best of condition to minimise fuel consumption, gas emissions and noise pollution.

OOIL has a set of strict guidelines and procedures for cargo handling, especially for the handling of hazardous cargoes. In both headquarters and regions, senior managers are assigned the role of safety officers. A set of procedures is also in place to control and manage the acceptance of Dangerous Goods cargoes and these comply with all international and national regulatory requirements and standards in the transport of Dangerous and Hazardous goods ("IMDG and US - CFR49").

The Company works with suppliers that provide environmentally-friendly containers to transport our customer's cargo. Our containers are constructed with environmentally-friendly flooring made of Eucalyptus from man-made forests as opposed to traditional Apitong from old-growth, and use low Volatile Organic Compounds ("VOCs") and Heavy Metal free paints and finishes. Our reefers are Chlorofluorocarbon ("CFC")-free to help in the fight against ozone depletion.

OOIL's container terminals ensure that they only purchase items of equipment which are fuel efficient and have lower emissions engine systems. Both Long Beach Container Terminal ("LBCTI") and Kaohsiung Container Terminal ("KAOCT") have converted to electricity for large cranes. In addition, LBCTI installed Diesel Oxidation Catalysts on all of its yard equipment which reduces emissions from our diesel-powered equipment. The installation of automated gate systems has greatly reduced truck queuing and idling time in the receiving and delivery processes thereby significantly reducing engine emissions. The US Terminals meet all Environmental Protection Agency Standards and have installed oily and waste water runoff separation systems.

In addition, the Group makes extensive use of electronic communications in conducting its business, thus assisting in the conservation of natural resources. Within OOIL's office network, all employees are encouraged to recycle paper and to use the least amounts of natural resources, i.e. energy, water, paper, etc. OOIL is also a pioneer in the field of e-commerce thereby encouraging the advent of "paperless" trade and business. Additionally, the Group enforces a smoke-free office policy in all its workplaces. During the process of vendor and supplier selection, environmental issues are major considerations. Before vessels are chartered-in, on-hire surveys are conducted in which all certificates and classification documents are inspected and confirmed to ensure that the ship is both safe and environmentally friendly.

The Group's achievements, in many aspects, have already greatly exceeded legal requirements and general industry standards in the countries in which and to which it operates. However, as a responsible and committed member of the international community, OOIL strives continually for further improvement in all aspects of its business.

COMMUNITY AND EDUCATION

OOIL prides itself upon being a responsible corporate citizen and recognises that the societies in which its employees live and work contribute greatly to the company's overall success. Care for these communities in which it operates is therefore a major OOIL focus. OOIL concentrates its community efforts on charity programmes designed to provide well-rounded youth education programmes, charity relief to the needy and cultural entertainment to the whole community.

Every week, throughout the world, OOCL employees give something back to the communities in which they live – in the form of charity events, fund-raising or by dedicating their time and efforts. One of the major and on-gong projects in which OOCL has been involved is Project HOPE (Health Opportunities for People Everywhere). OOCL assists through the transportation of the latest medical diagnostic equipment and supplies from the US to China to care for children in urgent need of treatment.

In 2006, OOIL employees made donations, which were matched by the company on a one-to-one basis in support of Disaster Relief. In addition to financial donations, the Company has been contributing transportation and logistics support and providing numerous containers to help with relief work in the affected areas. Assistance in the form of free transportation is regularly given to a number of charitable projects. With sponsorship of the Company, volunteer teams are set up by employees to focus on community servicing, fund raising for charity and donations. In Hong Kong for example, the Hong Kong Council of Social Service accredited the Group as a "Caring Organisation" under its Caring Organisation 2005/06 scheme in recognition of the Group's efforts towards and commitment to the community. In addition, the Group's volunteer team, set up in 2004, organised and participated in many events including fund-raising for the Hong Chi Association through the charity sale of handicrafts made by local mentally handicapped children; blood donation sessions for the Hong Kong Red Cross; container terminal visits for children from the Evangel Children's Home and house cleaning services for live-alone seniors organised by The Hong Kong Society of the Aged.

Other beneficiaries of welfare donations made by OOIL and its employees include social services, orphanages and children's hospitals, cancer research, multiple sclerosis and diabetes research and many others in Asia, North America, Australasia and Europe.

In keeping with OOIL's long tradition of community responsibility, the Tung OOCL Scholarship supports the education of youth. OOIL, in partnership with The Tung Foundation, spends over US\$300,000 per year on educational scholarships for students in mainland China and for the children of employees globally.

EMPLOYEE INFORMATION

As a responsible corporate citizen employing the highest standards of business ethics in all that it does, OOIL understands that the process begins with the treatment of its employees. As a successful corporation, OOIL appreciates that its success, growth and performance rests on the skills, dedication and teamwork of its staff. It regards people as its greatest asset and cares for them accordingly.

In a spirit of mutual respect, OOIL has a clearly defined policy that includes as an equal opportunity employer, the treatment of all employees with fairness and dignity, the encouragement of a culture of open and frank communication throughout the organisation, the investment in its people and care for their hopes and aspirations through people-development programmes, training and education and the recognition and reward of their efforts and achievements.

People development remains a cornerstone of the corporate culture and enables the effective operation of OOIL's policy of career development through recruitment and promotion from within. OOIL has, over the past years, channelled a great deal of time and effort into its various people-development programmes. OOIL advocates continuous learning and supports employee career development through job rotation, local and overseas job assignments as well as through offering formal and informal learning and development opportunities for performance enhancement.

OOIL employs an innovative approach to employee learning and management development. A rich culture of knowledge sharing is in place and a new knowledge-sharing platform was adopted in 2005 to facilitate knowledge and best practice sharing between and amongst all employees. E-learning has offered a whole new string to the company's human-resources bow, creating a learner-centric, interactive path to training and self-improvement as well as opening up learning opportunities to many more people within the business.

As at 31st December 2006, OOIL had 6,763 full time employees whose salary and benefit levels are maintained at competitive levels. Employees are rewarded on a performance related basis within the general policy and framework of OOIL's salary and bonus schemes which are regularly reviewed. Other benefits are also provided, including medical insurance and pension funds, and social and recreational activities are arranged around the world.

In the interests of adhering to the highest ethical standards on an ongoing basis, the Company has a formulated Code of Conduct which serves as a guideline to ensure compliance with all local, national and international legal standards and to preclude offences under local, national and international laws, any breaches of confidentiality, non-disclosure requirements or intellectual property rights and any conflicts of interest, acts of bribery, corruption or political contribution and any other areas of deemed misconduct. The establishment during 2006 of a formal whistleblower policy, through which employees can anonymously file reports or register concerns, helps govern the reporting and thorough investigation of allegations of suspected improper activities.

OOIL is committed to the philosophy of equal opportunity in employment. It is the Company's policy not to discriminate against any employee or applicant for employment on the grounds of race, colour, religion, creed, age, sex, disability, pregnancy, childbirth and related medical condition, marital status, sexual orientation, veteran status and or any other category whether protected by local laws and legal regulations or not.