



Go Extra Mile

Taiwan High Speed Rail
Corporate Social Responsibility Report

2020

Be There



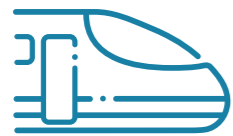
Table of Contents

- 02 About this Report
- 03 Letter from the Chairman
- 04 Letter from the President
- 05 Performance Highlights for 2020

- 06 Material Topics and Stakeholders
 - 06 Identification and Responses to Material Topics
 - 09 Identification of Stakeholders

- 11 About Taiwan High Speed Rail Corporation
 - 12 Operating Bases and Services
 - 13 Sustainability Strategies and Goals
 - 16 Operational Performance

- 59 Appendices
- 62 Opinion Statement
- 63 GRI Index



18 Transportation Professional Transportation

- 19 Safety Services and Responsible Transportation
- 21 Disaster Prevention with Professional Response
- 24 Smooth Travel in Adherence to Commitment



26 Technology Innovative Technology

- 27 Sincere Services and Intelligent Transportation
- 29 Convenience, Attentiveness, and Maintaining Relationships



32 Taiwan Enhancing Local Connection

- 34 Glide through Taiwan and Stretch Global Wide
- 35 Partner Relationship Management and Local Supply



37 Touch Sustainable Care

- 39 Sustainable Governance and Ethical Corporate Management
- 43 Low-Carbon Train Operation and Environmental Sustainability
- 49 Nurturing Talent and Value Cultivation
- 53 Protection of Rights and Considerate Care
- 56 Carrying for Society and Developing Local Area



About this Report

In 2009, Taiwan High Speed Rail Corporation (hereinafter referred to as “THSRC”) released the first ever “THSRC Corporate Social Responsibility White Paper” to disclose its performance and actions in social responsibility. In response to international trends and compliance with non-financial information disclosure standards in Taiwan, the report has been renamed as “THSRC Corporate Social Responsibility Report” since 2015. This report is the eighth Corporate Social Responsibility Report published by THSRC. The previous edition was issued in June 2020. THSRC continues to enhance its operational capabilities by demonstrating its efforts locally and expectations internationally through the 2020 Corporate Social Responsibility Report. In the future, Corporate Social Responsibility reports will be published periodically every year.

Current version: Issued in June 2021

Reporting Period

This report discloses THSRC’s Corporate Social Responsibility results and performance in 2020 (from January 1, 2020 to December 31, 2020). However, as part of the content, which involves trend comparisons, the report reveals historical data at the same time.

Basis of Preparation, Scope and Boundary

This report follows the core requirements of the Global Reporting Initiative Sustainability Reporting Standards (hereinafter referred to as “GRI Standards”) developed by the Global Sustainability Standards Board, the “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies,” the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” and the transportation indicators of the Sustainability Accounting Standards Board (SASB) Standards. In addition, it has been verified by a third-party certification body, the British Standards Institute (BSI) that this report meets the Core option of the GRI Standards and complies with the AA1000AS Version 3 Type 2 high-level assurance. The Independent Assurance Statement issued by the BSI has also been included in the appendix to this report. Based on the requirements of the GRI Standards, this report discloses THSRC’s responses to material topics in economic, environmental, and social aspects, as well as related performance.

The scope of this report is consistent with the financial statements. There is no significant difference between this report and the previous edition in terms of scope and quantitative data measurement methods. Any difference in terms of scope or data measurement from the previous edition will be indicated in the particular paragraph. All the statistical data disclosed in this report were compiled and provided by our first-level units. Financial performance data were information published publicly upon attestation by certified public accountants (CPAs) and were consistent with data in THSRC’s annual reports. The basis for calculating and estimating environmental data was derived from public data provided by the government and was calculated by THSRC.

If you have any suggestion or question about this report, please feel free to contact us at:



Taiwan High Speed Rail Corporation

Contact Unit | Corporate Planning Office,
Taiwan High Speed Rail Corporation

Address | 13th Floor, No. 66, Jingmao 2nd Road,
Nangang District, Taipei City 11568

Phone | (02)8789-2000 ext. 72710

E-MAIL | Spokesman_MBOX@thsrc.com.tw

Website | www.thsrc.com.tw

Corporate Social Responsibility Section |
<https://www.thsrc.com.tw/corp/CSR>



Website



Corporate Social
Responsibility Section

Click on the  icon in this report for further information.

Letter from the Chairman

As the major transportation means of the western corridor, THSRC has been striving hard in the past 22 years to achieve the corporate vision of “To be the platform for advancement and enjoyment.” With the five core values of “Discipline, Integrity, Efficiency, Innovation, and Sensibility,” as its business guideline, THSRC is committed to providing Taiwanese passengers with a safe, quality, and pleasant ride experience, which features high-quality service and customer satisfaction. We have internalized the THSRC spirit of “Go Extra Mile” into every employee’s daily work and work to fulfill THSRC’s commitment and determination towards a sustainable future through its 4T sustainable strategy, namely Transportation, Technology, Taiwan, and Touch.

In 2020, the Coronavirus disease 2019 (hereinafter referred to as the COVID-19) ravaged the world, it has not only severely impacted global industries and economy but has also changed the culture and living habits in human society for the long term. This has also posed daunting challenges to THSRC’s overall operating environment. THSRC, as an important domestic transportation system, demonstrated its resilience during the period of the pandemic, worked together across the organization to take various pandemic prevention actions in advance, and formulated a “business continuity plan” to set out dynamic strategies in response to changes in the situation so as to provide the best support to ensure a safe trip for the passengers.

In the post-pandemic era, THSRC is convinced that “Touch” is more important than ever. While optimizing the financial structure and governance effectiveness, we still work to convey positive values and continue to promote social welfare projects, covering student scholarship, collaboration with art and cultural entities, and other social welfare projects, to connect people through love and warmth by means of THSRC’s core business so as to convey our vision of sustainability and reciprocity to every corner of Taiwan. In response to the government’s “Epidemic New Life Movement,” THSRC also collaborated with the Paper Windmill Arts and Educational Foundation to launch the play entitled “The Tiger Fighter - Wu Song” to prompt people to reflect upon the importance of harmony with nature and to convey the concept of animal conservation.

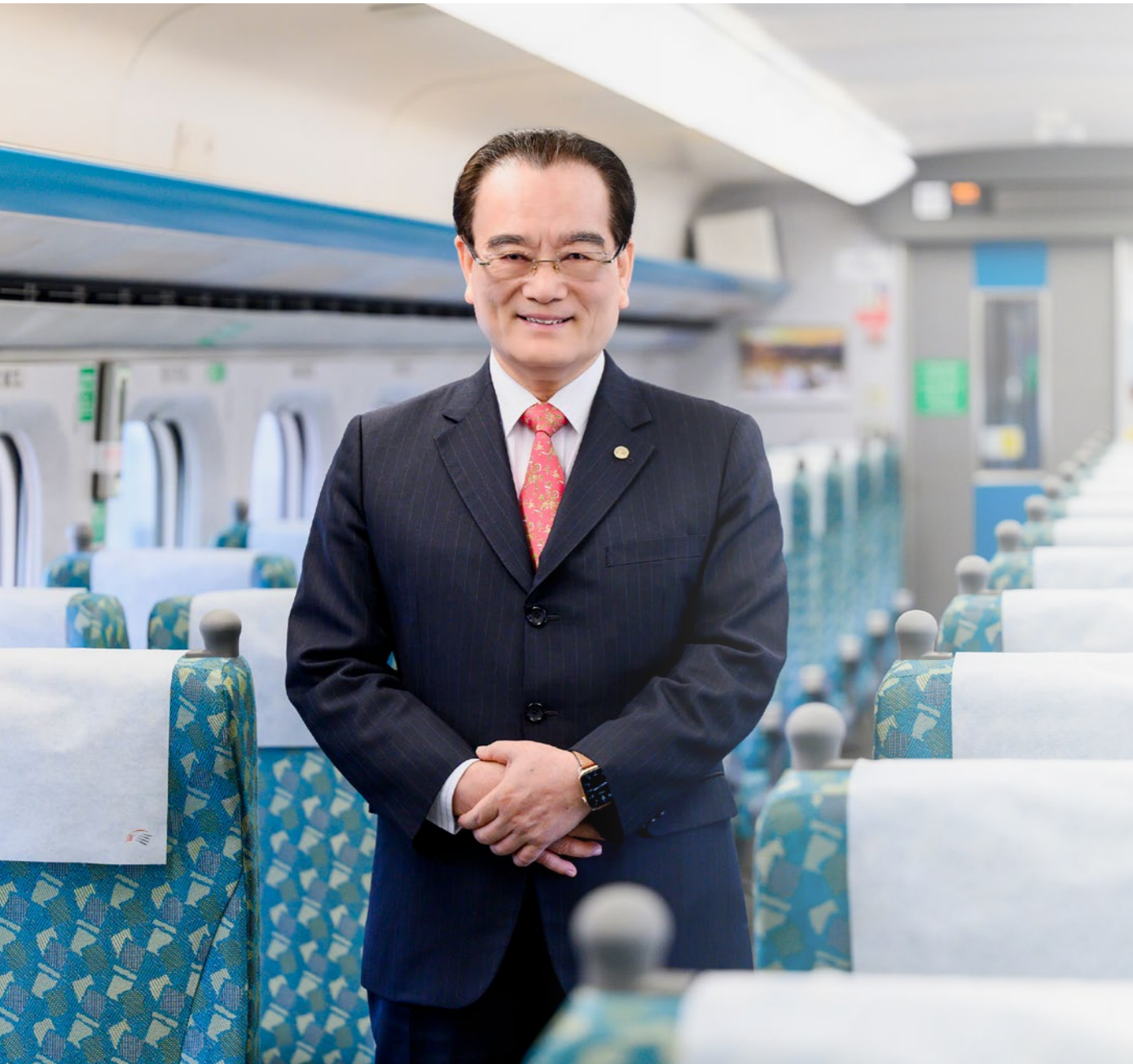
In addition to the impact of COVID-19, international attention to sustainable operations continues to rise, which also prompts stakeholders to pay more attention to corporate sustainability. THSRC adheres to the business philosophy of “Implementing Ethical Corporate Management, Strengthening Corporate Governance, and Fulfilling Corporate Social Responsibilities,” and strives to develop a sustainable enterprise with both a stable foundation and the highest quality. We achieved fruitful results in 2020. In addition to being ranked among the top 5% of the Corporate Governance Evaluation for three consecutive years, we were selected as a constituent stock of the FTSE4Good TIP Taiwan ESG Index again and won the “Top 10 Sustainability Model Award” of the Taiwan Corporate Sustainability Awards (TCSA), the “Corporate Sustainability Report Platinum Award,” and the first prize in the “Outstanding Enterprise Award” of the 17th National Brand Yushan Award. This has demonstrated that THSRC’s continuous improvement in corporate governance and dedication to sustainability issues have been recognized by all sectors of society.

Looking back from the past to the present, I would like to express sincere appreciation to our employees who have worked hard in their positions to protect the safety and quality of each ride, and to every passenger who has accompanied and supported us throughout the year. This report is the result of THSRC’s execution of the concept of sustainability and is also the driving force for us to expand our sustainable layout. In the face of a challenging future, sustainability is still the operating principle we always keep in mind. THSRC will continue to advance with the times and enhance the strengths in the rail field so as create a more thoughtful and comfortable high-speed experience for the Taiwanese passengers.

Chairman

Y. C. Chiang





Letter from the President

In 2020, the Coronavirus disease 2019 (COVID-19) has ravaged the world, and THSRC, as the backbone of western Taiwan's transportation systems, has also been affected to some extent in terms of passenger traffic. However, during this period, THSRC still upholds the highest standards to implement the pandemic prevention work at stations and on trains, and actively implements measures to reduce passenger traffic. As the pandemic slowed down and the confidence of Taiwanese passengers regained, we launched diverse travel products and revitalization programs to boost domestic travel business opportunities and succeeded in generating 2.145 million passengers, accounting for nearly 85% of the annual number in the second half of 2020. Also, we fully resumed our services with 1,016 trains per week from August 2020, and the overall customer satisfaction survey results increased to 97% as compared with the previous two years. This has shown that THSRC still adhered to its responsibilities during the pandemic period and spared no effort to pursue excellent travel quality.

Creating innovative and diverse products and services is the driving force behind THSRC's pursuit of excellence. With that, we established the "TGo 365" Point Ecosystem this year and collaborated with partners in different industries to launch a variety of items for point redemption so as to increase the value of THSRC's TGo membership. In order to be aware of customer needs more effectively, we launched the "Digital Customer Service" in 2020 to enable more convenient and instant communication with customers. THSRC also actively responds to the United Nations' and Taiwan's sustainable development goals and is committed to building an inclusive and accessible riding environment. A variety of friendly facilities, services, and signs were planned at each station, to strive to create a comfortable travel experience for each passenger.

THSRC not only strives to provide an excellent travel experience but also actively responds to the railway industry localization policy. It continues to collaborate with various government agencies and enterprises to develop and design equipment and systems related to high-speed railway to energize the development of local rail transportation. In addition, to accelerate digital transformation, we also signed a memorandum of understanding with the Institute for Information Industry to develop smart and innovative application services and move towards the long-term strategic goal of "technology autonomy and localized maintenance" in the future.

For us, caring for people and the environment is the foundation for an enterprise to implement sustainable development and create outstanding performances. To this end, THSRC continues to improve its occupational safety and health management objectives and enhance its internal safety culture. In 2020, it passed the dual certification: the ISO 45001 Occupational Health and Safety Management System and the Taiwan Occupational Safety and Health Management System (TOSHMS). This has once again demonstrated THSRC's commitment to implementing occupational safety and health autonomous management and protecting the health and safety of employees after it passed it for the first time in 2017. It also passed the certification of the new version of ISO 14001:2015 Environmental Management System in 2020 due to its continuous environmental management, setting a precedent for the domestic rail industry and demonstrating the effectiveness of THSRC's sustainable operation.

In the future, THSRC will continue to improve the quality of travel through collaboration with other industries and digital transformation and adopt the "4T" sustainability strategy to enhance all aspects of planning and layout, while actively leveraging the sustainable value created by high-speed transportation services.

President

Performance Highlights for 2020



Transportation

Professional
Transportation

- Since THSRC commenced operations in 2007, the punctuality rate and reliability have always been above 99%.
- In 2020, the punctuality rate was 99.78%, and the average delay time was only 0.13 minutes.
- Since the commencement of operations in 2007, THSRC continues to achieve excellent operational safety performance, resulting in ZERO casualties among passengers due to traffic accidents.
- In 2020, a total of 1,800 sets of turnout inspections were completed; routine track inspections and track irregularities inspections were completed for 8,421 kilometers of track, respectively.
- In 2020, a total of 78 disaster prevention and rescue drills (training) were completed.



Technology

Innovative Technology

- As of the end of December 2020, the Taiwan High Speed Rail app has been downloaded by more than 950,000 people, and the number of registered TGo members has exceeded 730,000 people.
- In 2020, THSRC's Facebook Page garnered 419,000 fans cumulatively and received a total of 33,000 new fans compare with the prior year, while the posts on THSRC's Facebook Page reached 37.52 million people, with 1.18 million interactions on these posts.
- In 2020, passengers' satisfaction with the overall services was 97%.



Taiwan

Enhancing Local
Connection

- As the Coronavirus disease 2019 (hereinafter referred to as the COVID-19) slowed down in the second half of 2020, THSRC launched a number of travel promotion projects, such as "See you again," which successfully created sales to 2.145 million consumers with a cumulative number of 2.546 million tourists throughout the year.
- THSRC participated in the 2020 Taipei International Travel Fair to promote its brand spirit of "Be There," and the booth design incorporated with its corporate philosophy of "environmental sustainability" won the "Best Pavilion Award."
- Since 2006, THSRC started to organize visit events. In 2020, there were a total of 9 visiting groups from Japan and domestic, with a total of 280 visitors, to learn about THSRC's transportation services and innovative achievements.
- THSRC actively promoted the localized procurement and the development of alternative materials. In 2020, the proportion of local services purchased exceeded 88%, and the financial procurement exceeded 78%. In addition, from 2011 to 2020, THSRC worked with a total of 117 alternative material suppliers, saving a total amount of more than NT\$2.6 billion.



Touch

Sustainable Care

- THSRC was selected as a constituent of the "Taiwan Sustainability Index" and ranked among the top 5% in the Corporate Governance Evaluation for three consecutive years after participating in this assessment for the first time in 2018 while being rated "Outstanding" in the CG6012 (2019) Corporate Governance System Assessment conducted by the Taiwan Corporate Governance Association.
- THSRC won the "Top Ten Models of Corporate Sustainability Awards (Service Industry)" and the "Platinum Award of the Corporate Sustainability Report Awards" at the 2020 13th TCSA.
- Based on the calculation of passenger-kilometer, THSRC significantly reduced carbon dioxide emissions by 822,701 metric tons in 2020 compared to passenger cars, which is equivalent to the carbon uptake of 2,115 Da-An Forest Parks.
- In 2020, THSRC passed the ISO 14001:2015 Environmental Management System certification as the first enterprise in the rail service industry in Taiwan to have passed the certification.
- Due to the impact of the COVID-19 pandemic, the "THSR ART Together Program" resumed its application for public performances at the end of July 2020. A total of 66 performing groups were accepted, with a total of 1,764 performers.
- In 2020, THSRC raised nearly NT\$12 million under the "High-Speed Educational Endowment Program."
- In 2020, the "THSRC Smiling Train Program" provided assistance to 17 disadvantaged groups with 2,330 participants.
- In 2020, 2,522 employees and the general public participated actively in the "Annual THSRC Winter Outreach Blood Drive" event, with 3,699 units of blood raised.
- In the 2020 "HSR Camps," a total of 8 camps were held throughout the year with nearly 4,000 applicants and a total of 221 students participating.



Coronavirus disease 2019 Prevention Measures in 2020

In 2020, to prevent the further escalation of COVID-19, THSRC actively cooperated with the government's pandemic prevention policy and set up a company-level pandemic prevention team in accordance with the Company's major infectious disease response management measures to strengthen pandemic prevention measures at the operating sites, employee health tracking, workplace pandemic prevention measures, and the preparation of pandemic prevention supplies. THSRC also set out a "business continuity plan," covering the inspection of key business functions and key personnel in the continuous operation of the THSRC services, and the continuous operation measures (e.g., front-line employees and contractors were grouped to work fixed shifts; preparation was made in stages; key functions of supporting units were maintained through division and network technology, and various pandemic prevention work was reviewed based on the latest pandemic situation) to ensure the continuous operation of the THSRC and to respond to possible changes.

We face this epidemic crisis with comprehensive epidemic prevention measures, and safeguard passengers' health and safety with the most cautious attitude as we seek to fulfill our responsibilities in maintaining Taiwan's excellent epidemic prevention performance. For the latest pandemic prevention measures and ticketing instructions for trains, stations, and operational services, please refer to the section dedicated to COVID-19 on the THSRC website. [↗](#)

THSRC personnel are engaging in pandemic prevention operations →



Material Topics and Stakeholders

Identification and Responses to Material Topics

THSRC prepares its Corporate Social Responsibility (CSR) reports in compliance with the GRI Standards published by the Global Sustainability Standards Board (GSSB) and conducts analyses of material topics according to the following four steps to confirm the scope of report disclosure and to examine the effectiveness of sustainable management.

1 Identification

In order to ensure the objectivity, completeness, and inclusiveness of material topics, we not only examine material topics of leading domestic and international peers, but also refer to the material topics of the railway transportation industry listed by the Sustainability Accounting Standards Board (SASB), and the sustainability requirements of international sustainability ratings, such as Dow Jones Sustainability Index (DJSI) while reviewing the sustainable issues in the previous version of the report. Through the adjustment methods of adding, splitting, and renaming, the 17 sustainable issues in 2020 are adjusted to 19. The adjusted sustainability issues are described as follows:

- Added transportation inclusiveness
- Energy use efficiency is split into energy use efficiency and resource management
- Operational strategy and operational performance were renamed operational strategy and performance; product/service quality was renamed customer relationship and quality management; information security management was renamed privacy and information security management, employee care, and labor rights protection was renamed employee care and labor protection, knowledge promotion, and human care was renamed railway culture promotion and human care

2 Prioritization

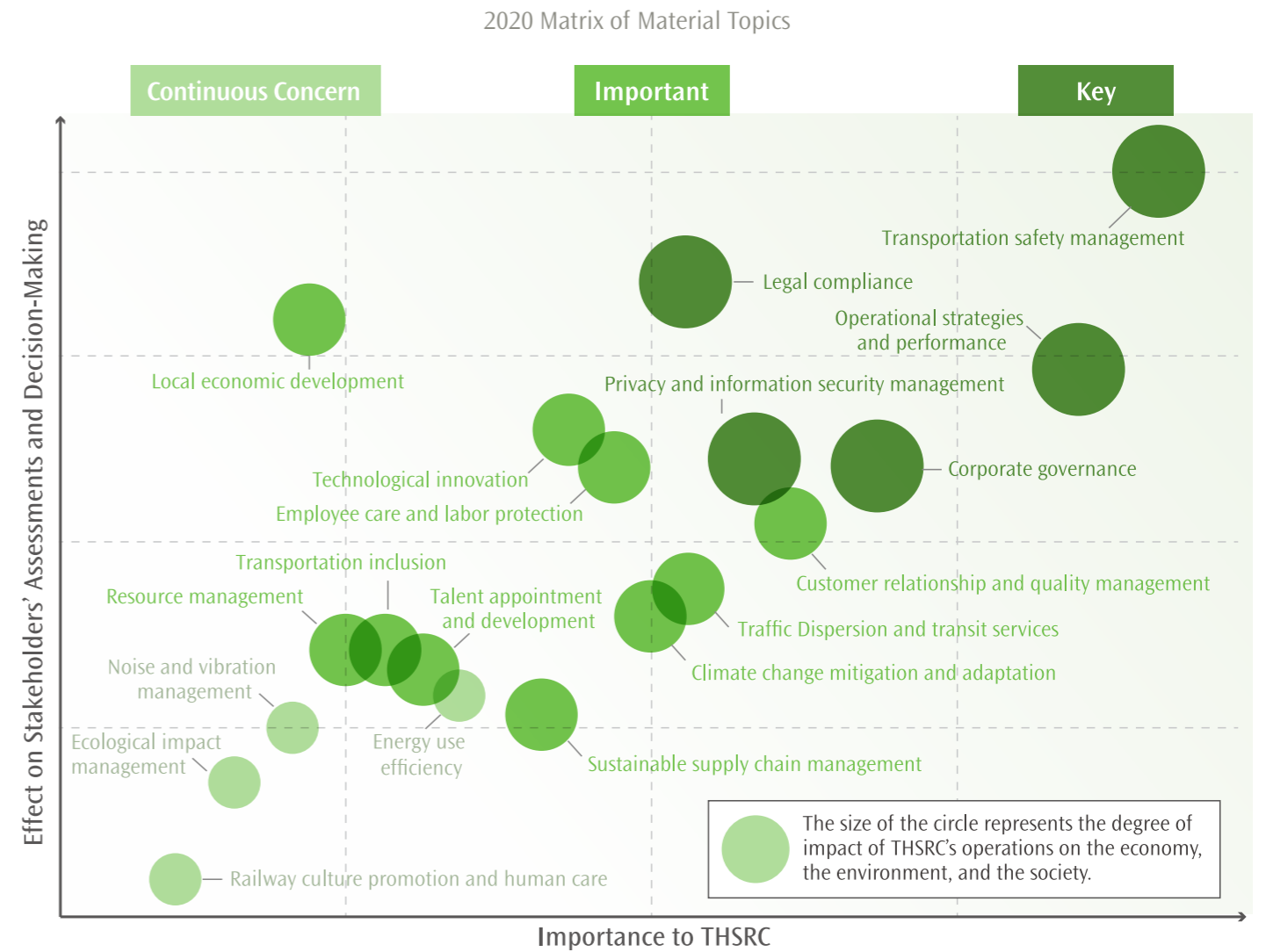
THSRC analyzes the materiality of each topic according to each topic in three major areas, namely “effect on stakeholders’ assessments and decision-making,” “impact of the enterprise on the economy, the environment, and the society,” and “importance to business operations,” and distributes questionnaires to survey stakeholders’ opinions. In 2020, we collected a total of 128 completed questionnaires from internal and external parties, including employees (30 questionnaires) and external parties comprising eight important stakeholders (98 questionnaires), and identified 15 material topics through quantitative analysis and prioritization to generate a matrix of material topics based on the analysis results.

3 Validation

In order to ensure the results of material topic prioritization meets the principles of completeness and stakeholder inclusiveness in GRI, THSRC’s Corporate Governance Promotion Committee enhances the materiality of “climate change mitigation and adaptation” with regard to the importance to business operations based on factors, such as international benchmark analysis, sustainability trends, and THSRC’s development strategies. The results obtained after adjustment are also submitted to the Chairman and the President for review and approval.

4 Review

We will continue to practice sustainability while maintaining positive communication with stakeholders. During the publication of the next report, we will re-examine the matrix of material topics, and plan further communication with stakeholders as appropriate to confirm whether adjustments are required.



Note: After discussing and confirming the matrix of material topics, we classified the above-mentioned 19 sustainability topics into five key topics, ten important topics, and four topics of continuous concern according to the effects of three areas provided by internal and external stakeholders. “Key topics” and “important topics” form the scope of materiality disclosures in this report. On the other hand, items in “topics of continuous concern” are regarded as non-material topics, where in principle, these items will not be disclosed in this report. However, non-material topics which significantly impact material topics will still be properly explained and disclosed in this report.

Comparison between Material Topics and Topics in GRI Standards

● Denotes that this node may lead to impact resulted from material topics on the left.
For details regarding related management approaches, please refer to the page numbers for the corresponding subchapters.

Materiality	Material Topics	Meaning of Materiality	Corresponding to GRI Topic	Corresponding SDGs	Corresponding to Chapter or Subchapter	Page No.	Impact Boundary of Each Topic					
							Occur Directly in THSRC	Occur Through THSRC's Commercial Relationships		Occur Through THSRC's Other Direct Relationships		
							THSRC	Passengers	Suppliers and Contractors	Shareholders and Investors	Partners	Government and Competent Authorities
Key Topic	Transportation safety management	Establish and manage mechanisms related to train transportation safety, such as prevention of natural or man-made disasters, and internal and external response and communication mechanisms for transportation safety incidents.	Customized material topic	SDG 9	Safety Services and Responsible Transportation	19	●		●			●
	Operational strategies and performance	Implement operational strategy and improve operational performance are the foundation for the sustainable operation of the Company, so as to create an economic distribution that is beneficial to key stakeholders.	GRI 201: Economic Performance	SDG 8	Operational Performance	16	●					●
	Privacy and information security management	Keep abreast of the effectiveness of information security management and monitoring mechanisms, in order to ensure that customers' personal privacy and the security of other relevant information are properly protected.	GRI 418: Customer Privacy	SDG 9	Convenience, Attentiveness, and Maintaining Relationships	29	●					●
	Corporate governance	Pay attention to ethical governance and responsible business practices that comply with market and international regulations and that are expected by stakeholders, in order to prevent losses to the company or penalties imposed by competent authorities on the Company due to unethical conduct.	GRI 205: Anti-corruption GRI 405: Diversity and Equal Opportunity	SDG 16	Sustainable Governance and Ethical Corporate Management	39	●		●	●		
	Legal compliance	Focus on high degree of compliance, in order to prevent the negative impact of non-compliance incidents on the environment and society as identified by the laws and regulations.	GRI 307: Environmental Compliance GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 419: Socioeconomic Compliance	SDG 16	Sustainable Governance and Ethical Corporate Management	39	●		●	●	●	●
Important Topic	Technological innovation	The ability to provide innovative products and services to customers, in order to enhance customer satisfaction and its own market competitiveness.	Customized material topic	SDG 9	Technology - Innovative Technology	27	●		●			
	Customer relationship and quality management	Provide high-quality products/services to ensure that customers will get the best travel experience.	GRI 416: Customer Health and Safety	SDG 8 SDG 9	Convenience, Attentiveness, and Maintaining Relationships	29	●		●			
	Employee care and labor protection	Plan physical and mental health protection mechanisms, reasonable salary and welfare measures, protection of labor conditions, and communication and grievance mechanisms for employees, in order to retain employees and ensure the Company's continuous growth momentum.	GRI 401: Employment GRI 402: Labor/Management Relations GRI 403: Occupational Health and Safety (2018) GRI 407: Freedom of Association and Collective Bargaining	SDG 8	Operational Performance Nurturing Talent and Value Cultivation Protection of Rights and Considerate Care	16 49 53	●		●			●
	Traffic dispersion and transit services	Plan train runs and transits at stations and local transportation bases for passengers during festive periods.	Customized material topic	SDG 9	Smooth Travel in Adherence to Commitment	24	●		●			

Materiality	Material Topics	Meaning of Materiality	Corresponding to GRI Topic	Corresponding SDGs	Corresponding to Chapter or Subchapter	Page No.	Impact Boundary of Each Topic					
							Occur Directly in THSRC	Occur Through THSRC's Commercial Relationships		Occur Through THSRC's Other Direct Relationships		
							THSRC	Passengers	Suppliers and Contractors	Shareholders and Investors	Partners	Government and Competent Authorities
Important Topic	Local economic development	Develop sightseeing tours around the country and sell products from small farmers or specialty stores around the country on trains or at stations, in order to promote local prosperity and maintain a harmonious relationship with local communities.	GRI 203: Indirect Economic Impacts	SDG 8 SDG 17	Partner Relationship Management and Local Supply	35	●		●			
	Climate change mitigation and adaptation	Strengthen the ability of the transportation system to respond to climate change and its readiness to cope with climate disasters, in order to ensure the safety and resilience of THSR transportation.	GRI 305: Emissions	SDG 13	Low-Carbon Train Operation and Environmental Sustainability	43	●		●			
	Transportation inclusion	Improve and optimize the quality of software and hardware services to provide ride services with a quality that meet the needs of the minority or disadvantaged groups and elderly passengers.	Customized material topic	SDG 11	Smooth Travel in Adherence to Commitment	24	●	●				
	Sustainable supply chain management	Formulate a good supply chain management strategy, including localized procurement and green procurement, to keep abreast of the management performance of suppliers in various aspects of sustainability, such as governance, environment, and society.	GRI 204: Procurement Practices GRI 414: Supplier Social Assessment	SDG 8 SDG 17	Partner Relationship Management and Local Supply	35	●		●			●
	Talent appointment and development	Develop a complete talent development system that can help the Company accumulate transformation and innovation capabilities, in order to enhance its positive benefits in employees' career development.	GRI 202: Market Presence GRI 401: Employment GRI 404: Training and Education	SDG 4 SDG 8	Nurturing Talent and Value Cultivation	49	●					
	Resource management	Reduce resource consumption from the Company's operations and take active actions on recycling management.	GRI 303: Water and Effluents (2018) GRI 306: Waste (2020)	SDG 12	Low-Carbon Train Operation and Environmental Sustainability	43	●					
Topics of Continuous Concern	Energy use efficiency	Improve the energy use efficiency in the Company's operations, and strengthen the use of green energy to reduce the risk of the Company's reliance on fossil energy.	GRI 302: Energy	SDG 7	Low-Carbon Train Operation and Environmental Sustainability	43	●					
	Noise and vibration management	Reduce the noise and vibration produced during train operation to effectively reduce the impact on the environment, residents, and passengers.	GRI 413: Local Communities	SDG 9	Smooth Travel in Adherence to Commitment	24	●					●
	Ecological impact management	Monitor and maintain ecological and conservation mechanisms around operating facilities and railway tracks, in order to prevent its negative impact on environmental quality.	GRI 304: Biodiversity	SDG 11	Carrying for Society and Developing Local Area	56	●				●	
	Railway culture promotion and human care	Promote knowledge of Taiwan's railway system, invest in arts, and promote the development of local culture in Taiwan, in order to deepen the connection between the Company and the public.	GRI 203: Indirect Economic Impacts	SDG 4	Carrying for Society and Developing Local Area	56	●				●	





Identification of Stakeholders

THSRC refers to the AA1000 Stakeholder Identification Standard to identify eight types of important stakeholders. We ensure that we truthfully respond to the demands and expectations of different stakeholders in our daily operations through diverse communication channels on a regular and irregular basis.

In addition, regarding the communication between Taiwan's high-speed rail and various stakeholders and the handling of major disputes, a report of the board of directors is regularly submitted every year. The situation of communication with various stakeholders and the handling of material disputes in 2020 have been submitted to the third meeting of the 9th Board of Directors of the Company on June 17, 2020.

Performance of Communication with Important Stakeholders

Type	Material Topics Raised by Stakeholders	Communication Channel	Communication Frequency	Communication Performance in 2020
 Passengers	<ul style="list-style-type: none"> Transportation safety management Traffic dispersion and transit services Customer relationship and quality management 	<ol style="list-style-type: none"> Questionnaire/Survey Company website/Facebook Page Publications/Digital tools 	<ol style="list-style-type: none"> Non-periodic Non-periodic Monthly 	<ul style="list-style-type: none"> Overall Passengers' Satisfaction Rate: 9.7 points (out of 10 points) THSRC's Facebook Page garnered nearly 420,000 fans The Company has published 132 issues of TLife magazine so far. TLife App is rated 4.7 stars/5 stars on the iOS platform and 4.5 stars/5 stars on the Android platform
 Community Residents	<ul style="list-style-type: none"> Transportation safety management Local economic development Customer relationship and quality management 	Interviews/Exchange of ideas	Non-periodic	<ul style="list-style-type: none"> Conducted 26 noise investigations with the public along the HSR line to effectively communicate the principles of noise prevention measures, where there was no case requiring further improvement on noise prevention Organized charity activities and events, such as "THSR ART Together Program" and "Annual THSRC Winter Outreach Blood Drive" for disadvantaged groups to fulfill its corporate social responsibility and maintain good local relations
 The Media	<ul style="list-style-type: none"> Operational strategies and performance Corporate governance Legal compliance 	Media contacts	Non-periodic	<ul style="list-style-type: none"> Issued 142 press releases and news bulletins, organized 21 press conferences and media events, clarified erroneous reports 19 times, handled 113 media inquiries, published 24 feature reports, and contacted the media 21 times
 Employees	<ul style="list-style-type: none"> Operational strategies and performance Employee care and labor protection Talent appointment and development 	<ol style="list-style-type: none"> Publications/Digital tools External meetings Internal meetings Internal/External activities 	<ol style="list-style-type: none"> Monthly Quarterly Non-periodic/Quarterly or monthly Once a year 	<ul style="list-style-type: none"> Convened 48 labor-management conferences at 12 HSR stations, with an issue resolution rate of 100% Held five education and training sessions on environmental protection a year, and the satisfaction was ten points (out of ten points) Coordinated training execution and management, and achieved the satisfaction of 4.6 points for the Company's major performance indicators Conducted once every quarter at 12 HSR stations, with a total of 48 Town Hall Meetings throughout the year; conducted twice every month at each operations section (only once in January due to Lunar New Year), with a total of 69 sessions throughout the year Issued 12 THSR High Speed Vision Newsletter, a total of 107 topics with a total of 125,655 views, and an average of 1186.7 views for each topic Held seven review meetings for written proposals and organized one proposal commendation conference throughout the year Organizes Quality Month in November, including proposal improvement awards, as well as two preliminary rounds and one final round in the Quality Control Circle The "Red Star Circle Team" of the Vehicle Maintenance Department represented the Company in the 2020 Taiwan Continuous Improvement Award (formerly known as the 33rd National Unity Circle Competition) and won the Golden Tower Award in the Unity Group 2020 Talent Development Project: Completed supervisor management ability evaluation (232 persons), and produced supervisor learning certificates

Type	Material Topics Raised by Stakeholders	Communication Channel	Communication Frequency	Communication Performance in 2020
 Shareholders and Investors (Note)	<ul style="list-style-type: none"> Operational strategies and performance Corporate governance Legal compliance 	<ol style="list-style-type: none"> Company website/Facebook Page Publications/Digital tools Shareholders' meeting/ Investor conference Email 	<ol style="list-style-type: none"> Non-periodic Non-periodic Non-periodic Non-periodic 	<ul style="list-style-type: none"> Shareholders' Meeting on May 21, 2020 Investor Conference on March 3, 2020 Investor Conference on May 28, 2020 Investor Conference on August 17, 2020 Investor Conference on November 26, 2020
 Partners (Including Non-Governmental Organizations and Schools)	<ul style="list-style-type: none"> Climate change mitigation and adaptation Transportation safety management Technological innovation 	<ol style="list-style-type: none"> Internal/External activities Email 	<ol style="list-style-type: none"> Once a year/Non-periodic Non-periodic 	<ul style="list-style-type: none"> Assisted in consulting and reviewing the applications to the Environmental Protection Agency for the extension of the label of the "High Speed Rail Transportation Service Carbon Footprint" Invited the Quality Society to participate in the Quality Month in November Executed a number of collaborative programs with domestic colleges and universities, such as summer internship program, academic year internship program, Railway Equipment Laboratory, and Memorandum of Industry-Academia Cooperation Organized the winter and summer "HSR Camps." In 2020, due to the adjustment to the scale for pandemic prevention, there were eight camps held with 221 students participated Continued to receive visiting groups for technical exchanges. In 2020, the visiting groups include the "Japan Shinkansen Engineering Company" and the "Northern District Head Office, Taiwan Area Freeway Construction Bureau" Invested in various charity projects with sponsorships of more than NT\$12 million in 2020; executed various charity projects and programs, including the "High-Speed Educational Endowment Program" and "THSRC Smiling Train Program"
 Suppliers and Contractors	<ul style="list-style-type: none"> Sustainable supply chain management Transportation safety management Operational strategies and performance 	<ol style="list-style-type: none"> External meetings Internal/External reports Examination and repair/ Survey/Maintenance 	<ol style="list-style-type: none"> Once every two months Once a month/Four times a year Two times a year/Once a month/Non-periodic 	<ul style="list-style-type: none"> Financial safety report and annual damage prevention and inspection survey met the standards Contractors held a total of 12 technical conferences for reporting Conducted maintenance for 12 times and breakdown maintenance for 35 times Implemented the fire safety inspection of the Formosan Rubber Group (FRG) warehouses in July, and cooperated with the supplier to implement relevant improvement measures
 Government and Competent Authorities	<ul style="list-style-type: none"> Corporate governance Legal compliance Operational strategies and performance 	<ol style="list-style-type: none"> Interviews/Exchange of ideas Examination and repair/ Survey/Maintenance 	<ol style="list-style-type: none"> Non-periodic Once a year/Non-periodic 	<ul style="list-style-type: none"> Reviewed and approved THSRC's environmental impact analysis report Ministry of Transportation and Communications/Railway Bureau organized one annual regular THSRC operation inspection

Note: THSRC was officially listed on the Taiwan Stock Exchange on October 27, 2016 and was the first rail transportation operator to be listed in Taiwan. As of March 29, 2021, the shareholding structure is as follows: Government agencies (45%), other juridical persons (17%), foreign institutions and foreigners (10%), individuals (15%), financial institutions (9%), and state-owned enterprises (4%).



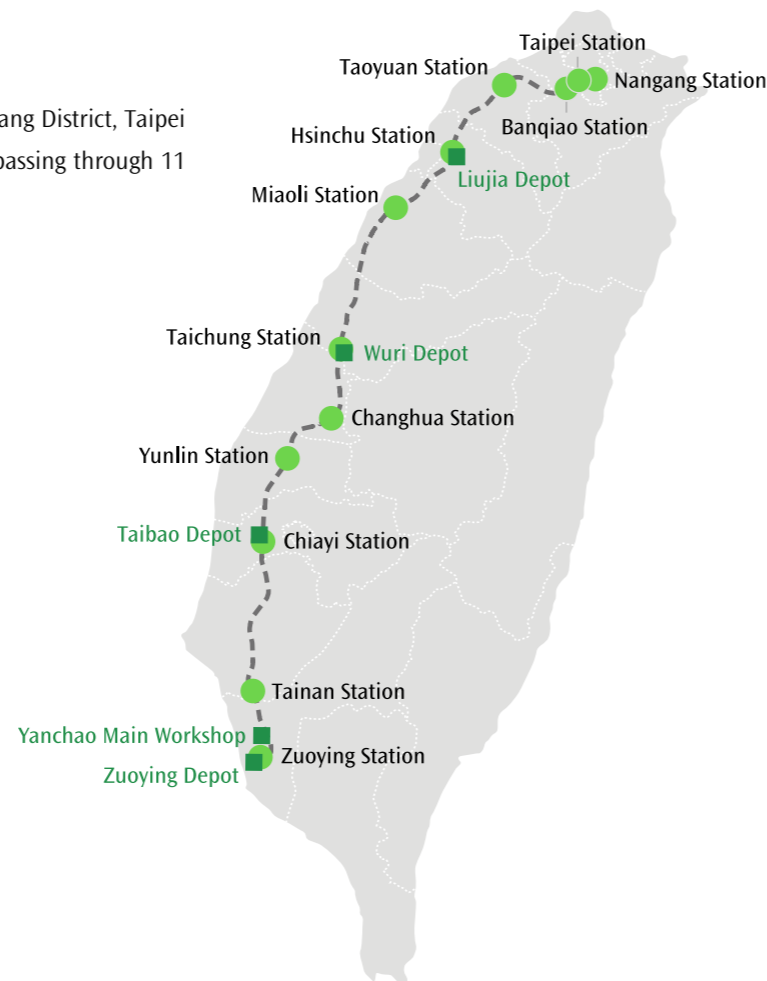
About Taiwan High Speed Rail Corporation

About Taiwan High Speed Rail Corporation

Subchapter Title	Material Topics	Management Purpose	Management Method	Assessment Mechanism	Management Performance in 2020
Operational Performance	Operational strategy and performance	<ul style="list-style-type: none"> Achieve the goals formulated by the organization and ensure that all relevant operations are carried out in order. Manage and optimize THSRC's financial structure to lay the foundation for sustainable management, and seek maximum benefits for employees, shareholders, and creditors. At the same time, design a logo according to THSRC's corporate culture, philosophy, and spirit, demonstrate the corporate image of THSRC through visual communication, and "To be the platform for advancement and enjoyment." Each business unit develops product and advertising strategies, conducts expansion plans, and tracks them regularly based on consumer feedback and revenue targets to improve the operational performance of THSRC actively and effectively. 	<ul style="list-style-type: none"> Adhere to the five core values of "Discipline, Integrity, Efficiency, Innovation, and Sensibility," and pursue the four attributes of "Real, Progressive, Passionate, and Premium" as we strive for sustainable management and innovation, in order to implement the vision and mission of THSRC. Set out the dividend policy clearly in the Company's Articles of Incorporation as per the laws and regulations in line with THSRC's business development plan, external investment environment, capital needs, and industrial competition while based on shareholders' interests to distribute the profits to shareholders in a stable and balanced manner. Manage the status of assets, liabilities, and equity by having certified public accountants (CPAs) review first-, second-, and third-quarter financial statements, as well as audit and attest fourth-quarter financial statements every year. Plan the sources of capital in advance as per the changing trend in the financial market and environment with regard to the Company's future capital needs, so as to continuously reduce the debt ratio and develop sustainably. Through the analysis of THSRC's source of railway revenue based on market demand and passenger traffic, the overall target of annual passengers is set, and the annual strategy and promotional plans are set out. Non-railway revenue comes from diverse business models, including leasing of property to stores at stations, parking space services, sales of THSRC media products, as well as sales and promotion of souvenirs. 	<ul style="list-style-type: none"> Develop four major sustainability strategies, draw up corresponding short-, medium- and long-term goals and actions plans, and track issue development and solution performance through the relevant assessment mechanisms. Develop the strategic planning procedure and budget management rules and track the progress of each unit on a quarterly basis based on THSRC's future strategies. Dividends are distributed according to the surplus distribution plan submitted by the Board of Directors and approved by the shareholders' meeting to meet the requirements of the dividend policy specified in the Articles of Incorporation. The status of assets, liabilities, and equity disclosed in the financial statements attested or reviewed by CPAs serves as the basis for management. Confirm the performance of each project through various project strategy discussions, closure reports, and departmental meetings. Railway revenue is evaluated based on the annual number of passengers and actual ticketing revenue. Non-railway revenue is regularly reviewed to understand the reasons for the difference between the target and actual performance. The property lease portfolio for stores at HSR stations, parking lot services, new media development, and retail product planning are timely adjusted. 	<ul style="list-style-type: none"> The Company's debt ratio (debt/assets) had dropped from 86.8% at the end of 2016 to 83.6% at the end of 2020. On March 17, 2021, the Board of Directors proposed to distribute cash dividends of around NT\$5.9 billion to shareholders for 2020 to seek the best interests of employees, shareholders, and creditors. In 2020, railway revenue exceeded NT\$37.9 billion, and non-railway revenue was around NT\$1.23 billion.

Operating Bases and Services

The THSRC began its operation in 2007 and is headquartered in Nangang District, Taipei City. The total length of the THSR operating route is 350 kilometers, passing through 11 counties and cities in the west and 76 townships.



Note: Depots have different functions from stations and can be subdivided into main workshop, marshalling yard, civil engineering base and electrical engineering base, and maintenance base. At present, the maintenance depots in service include Liujia/Hsinchu, Wuri/Taichung, Taibao/Chiayi, Zuoying/Kaohsiung, and Yanchao Main Workshop/Kaohsiung; while Xizhi Depot is currently being planned.

THSRC's upstream industries mainly provide train carriages, construction services, track services, and other services related to the manufacturing and maintenance of service facilities and equipment. Midstream industries include the power supply industry, support activities for transportation-related to train preparation, and operators related to the provision of transfer services, including the parking lot management industry, the freeway bus industry, the car rental industry, and the taxi industry. Downstream industries comprise THSRC passengers or travel agencies, which provide T Holiday packages.

Business Scope of THSRC

High Speed Rail Passenger Services

Fast, convenient, and comfortable rail transport service, while offering different types of train services, including direct train, semi-direct train, and stopping train to meet passengers' needs.

Operation of Affiliated Services

Retail space leasing (e.g., convenience stores, food and beverage, and service counters), parking lots at stations, advertising sales (e.g., lightboxes, column space, wall space, product displays, and train decorations), retail, trolley sales, and others.

Note: For details regarding rail transport service, please refer to the subchapter titled "Sincere Services and Intelligent Transportation." [↗](#)

Sustainability Strategies and Goals

THSRC Spirit and Sustainability Mission

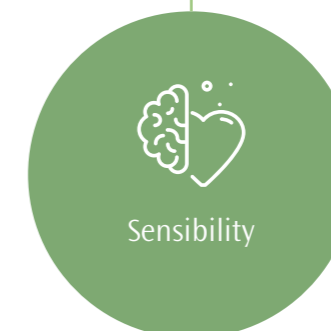
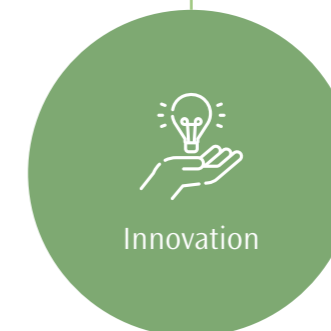
THSRC adheres to five core values of “Discipline, Integrity, Efficiency, Innovation, and Sensibility,” as the guiding principles for sustainable management and development, and has devised the Strategic Planning Procedure to implement business strategies as planned. THSRC has always adhered to the concept of “Go Extra Mile” to continuously improve the quality of services and safety of transportation services.

THSRC is committed to the pursuit of long-term benefits and local sustainable operations on the basis of safe and high-quality transportation services while continuing to create value with an optimized business model. Meanwhile, THSRC actively responds to external stakeholders’ concerns about and international sustainability trends on non-financial performance. In terms of THSRC’s non-financial economic, social, and environmental aspects, its main contributions are: Economically, we reduce the time cost of travel between the north and the south, while increasing the value of land use. We also foster the development capability of the local rail industry through operational activities and services in order to promote local and overall economic development. Socially, we provide a highly safe mode of transportation, which reduces social expenditures resulted from traffic accidents and brings people closer together. Environmentally, our trains have low carbon, low pollution, and high efficiency features while we reduce the impact of the public space of HSR stations on the environment by integrating green buildings.













In addition, as the first publicly listed company in the railway transportation industry in Taiwan, THSRC was included in the FTSE4Good Emerging Index as a constituent stock in 2018 and continued to be selected as a constituent stock of the FTSE4Good TIP Taiwan ESG Index from 2018 to 2020. It has also been ranked among 5% of the public companies in the Corporate Governance Evaluation for three consecutive years. In addition, we won the “Top Ten Models of Corporate Sustainability Awards (Service Industry)” and the “Platinum Award of the Corporate Sustainability Report Awards” at the “2020 13th TCSA.” It is evident that THSRC has been deeply recognized by domestic and international investors and rating institutions in terms of operating performance, corporate governance, environment, and social responsibility.














THSRC Sustainability Strategy Blueprint

In order to take on THSRC’s mission as mentioned above, we drafted the “4T” sustainability strategy blueprint in 2017, with Transportation, Technology, Taiwan, and Touch as the four major sustainability topics, and respond to the eight UN Sustainable Development Goals (SDGs) to guide our efforts in achieving sustainability. Meanwhile, we have taken into account various policies and actions set out under Taiwan’s sustainable development goals to contribute to Taiwan’s sustainable development process. In the future, we will continue to draw up short-, medium- and long-term goals and action plans based on the four major sustainability topics by referencing international developments and local needs, and regularly review the operational mechanisms and performance of implementation to carry out THSRC’s mission to achieve sustainability. The goals of each sustainability strategy and its implementation measures in 2020 are listed as follows. The relevant details are described in the following chapters and subchapters.



THSRC Sustainability Strategies, Goals, Implementation Measures in 2020 and Corresponding SDGs

4T Component	Target	Measures Implemented in 2020	Corresponding SDGs
 <p>Transportation</p>	<p>Continue to improve operational safety, actively face the impact of climate change on transportation, establish relevant early warning mechanisms, develop relevant response measures in collaboration with the government, and actively interact with residents along the HSR line to create positive values for the outside world.</p>	<ul style="list-style-type: none"> Continued to inspect the weather resistance of the stations, equipment, and the routes. Studied the flood control response mechanism, organized drills, amended regulations, and reviewed the flood control design in 2020 for the Wuri Station as it bore a risk of flooding caused by natural disasters, such as typhoon and heavy rains, thereby ensuring that the train depot meets the high flood prevention and safety standards. Continued to improve the convenience of services, software and hardware equipment, and supporting measures for specific groups, such as providing guiding services and accessible ticketing services for the elderly or the disabled, and adding family restroom at each station, as well as completed toilet Improvement/addition of rain cover/addition of ticket gates at the Taoyuan Station. Continued to operate the disaster warning system and strengthen preventive measures for earthquakes, typhoons, heavy rains, slope sliding, and falling rocks. Sales executives at each station participated in activities non-periodically, and continuously interacted with local opinion leaders and residents along the HSR line. 	<p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>13 CLIMATE ACTION</p>  <p>17 PARTNERSHIPS FOR THE GOALS</p> 
 <p>Technology</p>	<p>Actively innovate and enhance technical capabilities, adopt new technologies and promote intelligent transportation, continue to improve operations, services, safety, and the efficiency and quality of emergency response, as well as adopt big data and digitalization to optimize customer experience and create a more convenient life.</p>	<ul style="list-style-type: none"> Monitored train running status in real time via IoT facilities. Continued to promote the employee proposal improvement system and quality control circle activities, where proposals with the most outstanding improved performance in 2020 were "Passenger Information System (PIS) Network Architecture Optimization and Equipment Cost Reduction" and "Unmanned Aerial Vehicles (UAV)-assisted Steel Bridge Inspection." Successively provided ticket purchase services for senior and disabled concession tickets via each ticket sales channel to provide passengers with a diverse range of ticket purchase and pick-up channels. Continued to enhance the scope of use of mobile payment via e-wallets to purchase tickets. In 2020, the percentage of tickets purchased using mobile payment services via the T-EX mobile ticketing app was 38%. In 2020, the percentage of using paperless tickets (including T-EX mobile ticketing app, periodic/multi-ride ticket, and co-branded cards with electronic ticketing function) was 34.5%. 	<p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
 <p>Taiwan</p>	<p>Actively nurture local talents and establish industry-academia collaboration, strive to create opportunities for diverse products and different industries through our business model, become the platform for advancement and enjoyment locally, and promote the prosperity and development of local industries by fostering the development capabilities of the local railway industry. At the same time, establish a sustainable supply chain management mechanism, and become the leader which guides the railway industry to sustainability.</p>	<ul style="list-style-type: none"> Established collaboration with colleges and universities, and promoted talent cultivation in Taiwan's railway industry through industry-academia collaboration and internship programs, where a total of 59 station interns and 9 service interns were accepted into our internship program for the academic year of 2020. 	<p>4 QUALITY EDUCATION</p> 

4T Component	Target	Measures Implemented in 2020	Corresponding SDGs
 <p data-bbox="231 619 302 646">Taiwan</p>	<p data-bbox="388 436 1083 709">Actively nurture local talents and establish industry-academia collaboration, strive to create opportunities for diverse products and different industries through our business model, become the platform for advancement and enjoyment locally, and promote the prosperity and development of local industries by fostering the development capabilities of the local railway industry. At the same time, establish a sustainable supply chain management mechanism, and become the leader which guides the railway industry to sustainability.</p>	<ul data-bbox="1130 296 2674 856" style="list-style-type: none"> • Actively promoted local supply and enhanced the capabilities of local vendors. • Provided equal employment opportunities through talent recruitment and development. • Enhanced the professional competencies of personnel based on assessment and training. • Launched a series of products and promotional activities related to the “Journey with THSR, Discover Taiwan” initiative and promoted local culture and tourism in cooperation with the government, travel agencies, hotels, MRT, freeway bus operators, and event organizers while rolling out the “Taiwan High Speed Rail Pass” for the overseas market in order to activate local business opportunities and develop the tourism industry, thus driving overall performance growth. • Committed to creating local employment opportunities, and supporting local businesses with lower rents, and setting up THSRC markets or product museums in eight HSR stations to promote products produced using local raw materials. • Marketed various attractions in Taiwan through High Speed Rail to promote tourism benefits and the development of the local tourism industry, with the number of passengers reaching 2.546 million people. • Conducted exchanges and visits with domestic and international transportation operators by welcoming 9 delegations, comprising a total of 280 while receiving Japan Shinkansen Engineering Company in 2020. • Joined the International Union of Railways (UIC) and tracked weather items on the NAZCA platform under UIC and the United Nations Framework Convention on Climate Change (UNFCCC). 	  
 <p data-bbox="231 1459 302 1486">Touch</p>	<p data-bbox="388 1241 1083 1549">Comprehensively improve the Corporate Social Responsibility (CSR) governance mechanism and strengthen the integration of governance and sustainable development by incorporating the Corporate Social Responsibility (CSR) vision into corporate culture. In addition, promote employee development, implement energy conservation and carbon reduction to create positive environmental benefits, and actively support charity events, arts, and ecological development as an important platform for strengthening the cohesion of Taiwan’s society.</p>	<ul data-bbox="1130 884 2674 1885" style="list-style-type: none"> • Organized the “High-Speed Educational Endowment Program” in collaboration with the “Down Syndrome Foundation R.O.C.” by inviting THSRC passengers and the public to pay serious attention to early intervention for developmentally delayed children in rural areas. • Organized “HSR Camps” to enhance the knowledge about railway of participants at all school ages so as to train potential excellent railway talents. • Leased out the rooftop of the maintenance depots, the detention basins, and the outdoor parking spaces and rooftop of the parking spaces outside each station to energy suppliers for the installation of solar power equipment in line with the government’s effort to promote renewable energy. The annual power generated reached 9,318 MWh in 2020. • Installed Solar Energy Generation at the stations to generate electricity for the stations. In 2020, 202 MWh of electricity was generated, and 197 renewable energy certificates were obtained. • Continued to promote the operation of the “Corporate Governance Promotion Committee” to develop strategies for optimizing corporate governance systems and functions, and review the Corporate Social Responsibility Policy. • Established collaboration with education and charitable organizations in order to help disadvantaged groups fulfill their dreams of taking the THSR train for free, where a total of 17 disadvantaged groups and 2,330 people had participated in the “THSRC Smiling Train Program” in 2020. • Implemented relevant energy conservation programs and measures, and continued to optimize equipment to improve the effectiveness of energy management. • Monitored weather information in collaboration with the government and professional organizations. • Collaborated with the “Society of Wilderness” to organize internal environmental education courses to motivate employees to save power and to be on low-carbon diets so as to enhance energy-saving awareness and actions. • Reduced the impact of public transportation on the environment through energy management and waste recycling mechanisms. • Increased the procurement of eco-friendly products to reduce the impact of supply chain on the environment. • Continued to develop relevant early warning and response measures in collaboration with the government, such as “Memorandum of Cooperation on Cross-border Disaster Prevention.” 	       

Note: Jointly committed to reducing carbon emissions by 50% by 2030 and 75% by 2050 based on the carbon emission levels in 1990.

Operational Performance

Financial Performance

Items	Unit	2018	2019	2020
Sales Volume (Rail Transport)	Thousands of passenger-km	11,558,787	11,994,453	9,912,062
Sales Value				
Rail Transport	NT\$ thousands	44,098,796	46,107,656	37,903,849
Sales Revenue	NT\$ thousands	208,683	210,947	132,516
Other Income such as Rent	NT\$ thousands	1,107,528	1,188,787	1,100,840
Operating Ratios				
Rail Transport		97.10%	97.05%	96.85%
Sales Revenue		0.46%	0.45%	0.34%
Other Income such as Rent		2.44%	2.50%	2.81%
EBITDA and EBTDA				
EBITDA	NT\$ thousands	32,921,179	34,513,097	25,982,260
EBTDA	NT\$ thousands	26,409,766	28,221,173	20,197,897
Turnover and Profitability				
Operating Revenue (IFRS)	NT\$ thousands	45,415,007	47,507,390	39,137,205
Gross Profit	NT\$ thousands	20,333,613	21,744,703	13,042,151
Net Operating Margin	NT\$ thousands	19,144,964	20,511,953	11,806,685
Net Income before Tax	NT\$ thousands	7,311,823	7,775,108	5,419,311
Net Income after Tax	NT\$ thousands	10,696,381	8,007,033	5,843,037
Assets, Liabilities and Equity				
Total Assets	NT\$ thousands	433,057,069	443,059,602	427,566,970
Total Liabilities	NT\$ thousands	363,644,056	371,982,333	357,480,314
Total Shareholders' Equity	NT\$ thousands	69,413,013	71,077,269	70,086,656

Note: 1. EBITDA: Earnings before interest, taxes, depreciation, and amortization

2. EBTDA: Earnings before taxes, depreciation, and amortization

Economic Value Distribution

Unit: NT\$ thousands		2018	2019	2020
Operating Costs	Operating costs (total)	25,081,394	25,762,687	26,095,054
	Operating expenses (total)	1,188,649	1,232,750	1,235,466
Cash outlays that occur outside the organization for the purchase of raw materials, product parts, site facilities, and services				
Employee Salaries and Benefits		4,650,413	4,960,132	5,116,114
	Including total salary, as well as payments, periodic contributions, and other employee subsidies made to the government			
Dividend Payout		6,303,688	6,810,797	5,909,708 ^(Note 1)
	Dividends paid to all shareholders			
Interest Payment		6,618,272	6,454,624	5,919,211
	Interests paid to lenders			
Payments to the Government	Taxes ^(Note 2)	1,931,330	2,182,443	1,430,888
	Feedback fund ^(Note 3)	647,850	731,182	777,511
	Rental expenses ^(Note 3)	835,601	834,382	829,224
	Account balancing expenses ^(Note 3)	–	–	6,084,658
All taxes and penalties paid at international, domestic, and regional levels				
Community Investment		11,758	16,905	1,990
	Voluntary donations and investments whose target beneficiaries are non-organizational external units			



Note: 1. It refers to the amount proposed by the Board of Directors. The Company's surplus distribution plan for 2020 was approved in the annual shareholders' meeting convened in 2021.

2. Government tax payments include business tax, profit-seeking enterprise income tax, and other taxes. Due to the impact of Coronavirus disease 2019 (hereinafter referred to as the COVID-19) in 2020, the Company applied for deferred payment for profit-seeking enterprise income tax for 2019 and the tax on undistributed surplus for 2018, both of which will be paid in 2021.

3. It is the amount paid by THSRC in accordance with the "Taiwan North-South High Speed Rail Construction and Operation Agreement" signed with the Ministry of Transportation and Communications (MOTC).

Government Subsidies

Unit: NT\$ thousands






Type	Purpose/Description	2018	2019	2020
 Tax Deduction and Credit (Tax Amount)	Tax credit applicable to capital expenditures invested in personnel training specified in Article 29 of the "Statute for Encouragement of Private Participation in Transportation Infrastructure Projects"	4,351	3,687	3,829
	Tax credit applicable to capital expenditures invested in R&D specified in Article 29 of the "Statute for Encouragement of Private Participation in Transportation Infrastructure Projects"	968	2,627	16,484
	Five-year tax exemption specified in Article 28 of the "Statute for Encouragement of Private Participation in Transportation Infrastructure Projects" (Note 1)	1,263,048	2,841,840	3,119,694
	Tax credit applicable to investment in smart machinery specified in Article 10-1 of the "Statute for Industrial Innovation" (Note 2)	–	–	6,010
	Tax credit applicable to undistributed surplus as in the substantive investment specified in Article 23-3 of the "Statute for Industrial Innovation" (Note 2)	–	–	119,559
 Investment Subsidies, Research and Development Subsidies, and Other Related Subsidies	Subsidy program for 4G Smart Broadband Application in Cities (THSRC iTaiwan Application Service Project) – THSRC Wi-Fi Smart Application Project issued by the Industrial Development Bureau, Ministry of Economic Affairs	24,094	–	–
	Subsidy Program for Smart Urban and Rural Life Applications (Innovative Service Program) - THSRC Wi-Fi Service Experience Improvement Project issued by the Industrial Development Bureau, Ministry of Economic Affairs	–	933	8,654
	COVID-19 relief subsidy (Note 3)	–	–	190,095

Note: 1. The Company applied for a five-year exemption from profit-seeking enterprise income tax in accordance with Article 28 of the "Statute for Encouragement of Private Participation in Transportation Infrastructure Projects." On April 13, 2018, exemption from profit-seeking enterprise income tax for this case was approved by the Ministry of Finance, and the scope of tax exemption was determined in accordance with ticket fare income for passenger transit and transportation charge income for cargoes specified in Subparagraph 1, Paragraph 1, Article 3 of the "Regulations Governing Application of Profit-seeking Enterprise Income Tax Exemption to Private Institutions Participating in Transportation and Communication Infrastructure Projects." In addition, the Company has chosen to delay the start of tax exemption period to January 1, 2017 for exemption from profit-seeking enterprise income tax for five consecutive years within the scope of statutory tax exemption in accordance with Paragraph 2, Article 28 of the "Statute for Encouragement of Private Participation in Transportation Infrastructure Projects."

2. The Company applied the application for the tax incentives in 2020 in accordance with Article 10-1 and Article 23-3 of the amended "Statute for Industrial Innovation."

3. The Company applied for utility fee exemption for the period from March 1, 2020 to September 30, 2020 in accordance with the "Ministry of Economic Affairs (MOEA) Measures for Relief and Revitalization of Industries and Businesses with Operating Difficulties due to Severe Pneumonia with Novel Pathogens."

Operational Performance

Profile Disclosure	Unit	2018	2019	2020
 Number of Train Services	times	52,437	53,727	53,076
 Passenger Volume	thousands	63,963	67,411	57,239
 Punctuality Rate (Arrival Within Five Minutes of Scheduled Time, Excluding Delays Due to Force Majeure)	%	99.76	99.90	99.78
 Reliability Rate (Excluding Delays Due to Force Majeure)	%	100	100	100
 Average Delay Time for Arrival at Terminal Station	minutes	0.170	0.069	0.128

Financial performance in 2020

On the basis of sustainable operation, THSRC continues to optimize its financial structure and corporate governance performance. Since it was listed on the stock market, it has been included in the MSCI Taiwan Index, the FTSE TWSE Taiwan 50 Index, the TWSE Corporate Governance 100 Index, and the TWSE RA Taiwan Employment Creation 99 Index, and the FTSE4Good Emerging Index as a constituent stock. In 2020, it was once again selected as a constituent stock of the FTSE4Good TIP Taiwan ESG Index and was awarded a certificate. This has demonstrated that THSRC is committed to improving its performance in sustainable development.

Performance Highlights

- In 2020, THSRC's annual revenue was NT\$**39.14 billion** with a net income after tax of NT\$**5.84 billion**. Due to the impact of COVID-19 on the passenger traffic, the profit decreased by **17.6%** and **27.0%**, respectively, compared with those in 2019.

- Despite the impact of the pandemic, THSRC continued to implement measures to reduce capital costs in 2020. The annual interest expense was NT\$**5.92 billion**.

Action Plan

- Successfully amended the syndicated loan contract conditions through negotiation with the group of banks to reduce the amount contributed to the reserve account and to adjust the early settlement method, which improved THSRC's efficiency in the use of funds.

- Repaid the principal of Tranche A Facility under a syndicated loan project early in the amounts of NT\$**8 billion** and NT\$**10.5 billion** (NT\$18.5 billion in total) in March and July 2020 to save interest expenses.

- The issue of 30-year unsecured corporate bonds was completed in July 2020 at a fixed annual interest rate of **1.3%** with the issue amount of NT\$**10.5 billion**. This aims to reduce the risk of interest rate volatility and diversify funding channels, so as to provide THSRC with long-term, stable, and low-interest funds, thereby creating greater value for shareholders.



Transportation

Professional Transportation

Transportation | Professional Transportation

Subchapter Title	Material Topic	Management Purpose	Management Method	Assessment Mechanism	Management Performance in 2020
Safety Services and Responsible Transportation	Transportation safety management	<ul style="list-style-type: none"> Build an operational safety management mechanism with risk management as the backbone and properly apply internationally recognized risk assessment and safety management methods to ensure the travel safety of every passenger and members of the public. 	<ul style="list-style-type: none"> Safety Management System - "Operation Safety Plan" is the safety regulation at the highest level, which has integrated the principles of Plan-Do-Check-Act (P-D-C-A), thereby effectively achieving the security policy goals of THSRC through the implementation and continuous improvement of 12 safety management elements. Establish the Safety Committee covering different levels and functions to manage issues such as reviewing safety performance, verifying the implementation of safety management, etc., and regularly supervise, review, and manage abnormal events in train services. 	<ul style="list-style-type: none"> Perform audit to examine whether the implementation of safety management meets specific standards, assess whether each unit has fulfilled its safety responsibilities and carry out its functions according to the relevant regulations, and confirm the effective and continuous operation of the system. The relevant safety committee meetings regularly review safety performance and the implementation of safety management. 	<ul style="list-style-type: none"> Maintained "zero" train accident in 2020. Passenger safety performance reached the set permissible target. The target value for fatalities and serious injuries was zero, and the actual value was zero; the target value of the passenger/public minor injuries with the responsibilities attributed to THSRC was 0.07 person per million trips, and the actual value was 0.06 (the lower the minor injury value, the better). No passenger was injured due to natural disasters in 2020.
		<ul style="list-style-type: none"> Ensure that the safety and quality of THSR train services are not affected by natural disasters and man-made disasters. 	<ul style="list-style-type: none"> Establish internal plans, regulations, and standard operating procedures for disaster responses in accordance with the laws and regulations related to disaster prevention and fire prevention, and formulate the "Overall Disaster Prevention and Response Plan for Taiwan High Speed Rail Traffic Accidents" to establish an overall framework for natural disaster and man-made disaster management. 	<ul style="list-style-type: none"> Formulate training programs every year to conduct drills regularly and without warning for various hypothetical scenarios, and assess how familiar our colleagues at all levels are with various emergency procedures and the effectiveness of related plans and regulations. 	<ul style="list-style-type: none"> Complete 78 drills in 2020, including Coronavirus disease 2019 (hereinafter referred to as the COVID-19) business continuity plan drills and drills for the incident of passenger crossing platform gate at Taipei station.
Disaster Prevention with Professional Response	Traffic dispersion and transit services	<ul style="list-style-type: none"> Draw up traffic management measures in the station area and the plan to increase the transportation frequency to maximize the capacity and efficiency of the transfer, so as to continue to provide passengers with fast and convenient transfer services. 	<ul style="list-style-type: none"> Participate in central and local government traffic dispersion coordination meetings to confirm that traffic management plans meet the needs of passengers and HSR stations; and plan taxi scheduling and the increase of the frequency of express bus services in advance to ensure flexible scheduling. 	<ul style="list-style-type: none"> Assess the need and feasibility of the increase of frequency of the transfer services through express bus passenger statistics, taxi scheduling and shortage statistics, as well as customer feedback and grievance channels. 	<ul style="list-style-type: none"> The number of express bus trips in 2020 totaled 329,838, including 1,940 additional trips during long-weekend holidays for passenger traffic dispersion. The number of scheduled taxi trips exceeded 3 million in 2020.
		<ul style="list-style-type: none"> Improve and optimize the quality of software and hardware services to meet minorities' or disadvantaged groups' needs, particularly elderly passengers. 	<ul style="list-style-type: none"> Continue to follow up on the injuries of elderly passengers in THSR's service areas (such as stations and trains), and conduct regular statistical analysis for review and improvement. Transportation friendliness-related plans include: <ol style="list-style-type: none"> 1. Install accessible ticket counters/ticket gates/toilets, elevators, and other service facilities. 2. Car 7 is designed as a accessible car, and four seats are reserved for disabled passengers' companions to take care of the disabled passengers. This car is also equipped with accessible restroom and charging sockets, which are used for charging wheelchairs. 	<ul style="list-style-type: none"> Further review and improvement will be made based on customer feedback and satisfaction survey results. 	<ul style="list-style-type: none"> Completed the addition of family restroom at all stations, made improvements to toilets on the concourse of the basement level 1 of Taoyuan Station, and completed the addition of rain covers/gates in 2020. Provided a total of 41,660 passengers with guidance services in 2020.
Smooth Travel in Adherence to Promises	Transportation inclusion				

Safety Services and Responsible Transportation

In 2020, THSRC entered its 13th year of services. Our top priority is to ensure passenger safety and provide high-quality travel services. Today, with an average daily transportation volume of nearly 156,000 passengers, we still maintain zero operation accident, and the train punctuality rate reached 99.78% in 2020, and the average delay time was only around 0.13 minutes. This has demonstrated THSRC's international-level transportation service.

Safety Management and Culture

The THSRC's operational safety management mechanism centers on risk management. We properly use internationally recognized risk assessment and safety management methods to ensure that all sections are implemented as per operating procedures. We also regularly review domestic and international major issues concerning railway operation safety from the aspects of laws and regulations, system transportation, extreme disasters, safety management, and security every quarter, and submit reports to the Operational Safety Committee for review. In addition, in order to communicate with the public about THSRC's focus on operational safety, we held a total of six transportation safety media interviews and visits in 2020 to showcase our results in the implementation of various operational safety measures. The external communication topics included safety inspections, security personnel training, and transportation preparation.



- Visited the Taichung Wuri Depot on January 15 for train wheel lathing operations
- Interviewed the maintenance personnel in preparation for Lunar New Year inspection work on January 17
- Bridge safety inspection shooting on May 20
- A visit to smart rail scooters on July 29

- Shooting of Central Taiwan transport hub's and autumn's preparation for passenger traffic dispersion on September 29

Transportation preparation



Security personnel training



- Shooting of THSRC's comprehensive improvement of the quality and equipment of security personnel on May 13

External Communication on Operational Safety in 2020



In addition, to enhance the overall awareness of safety in railway operations, THSRC organized the “Crew Resource Management (CRM) and Teamwork Safety Culture Workshop” in June 2020 to facilitate exchanges and communication among employees within a unit and to develop shared safety awareness. THSRC held eight such seminars, with a total of 240 participants. THSRC aimed to enhance the safety culture through interdepartmental mutual assistance and collaboration to particularly strengthen the safety of night maintenance operations while fostering the safety quality of passengers, the public, and operations through discussion, exchanges, and experience sharing.

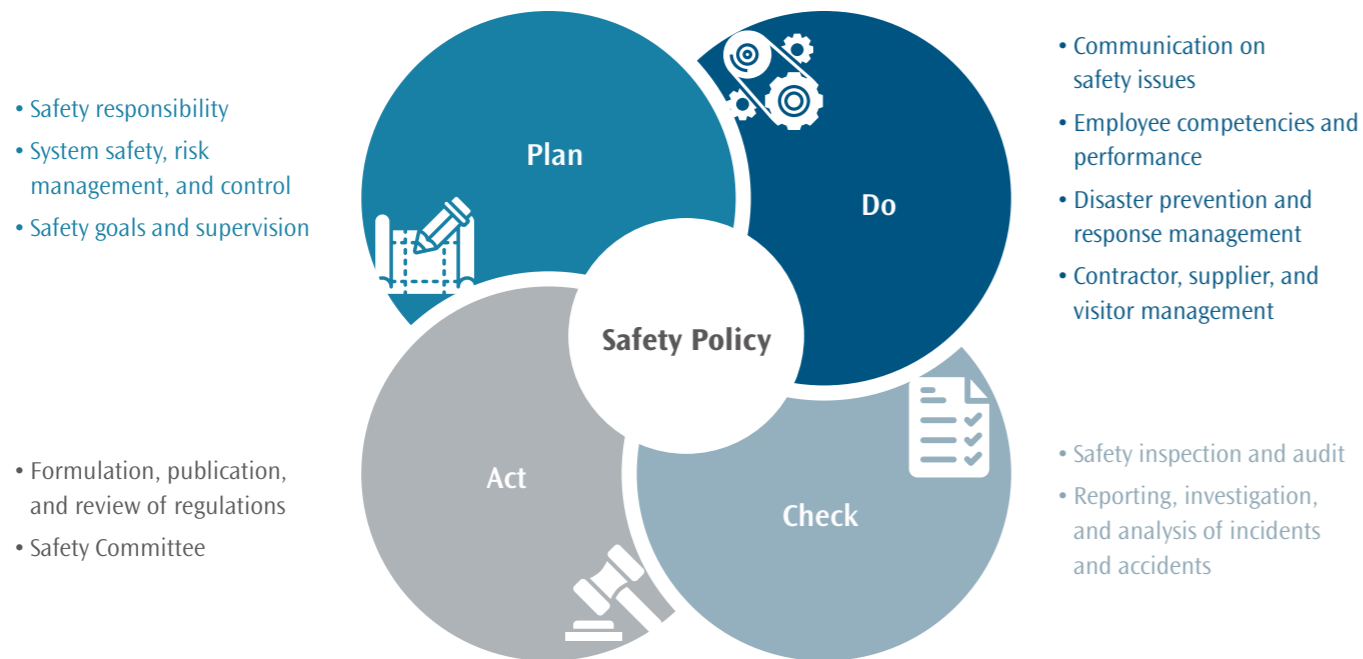


↑ Crew Resource Management (CRM) and Teamwork Safety Culture Workshop in 2020

Operation Safety Plan

“Operation Safety Plan” is the highest safety regulation of THSRC, which has incorporated 12 safety management elements. The railway maintenance, THSRC operation system, and relevant new business development or execution are integrated to effectively achieve THSRC’s goal of safety first through the P-D-C-A principle.

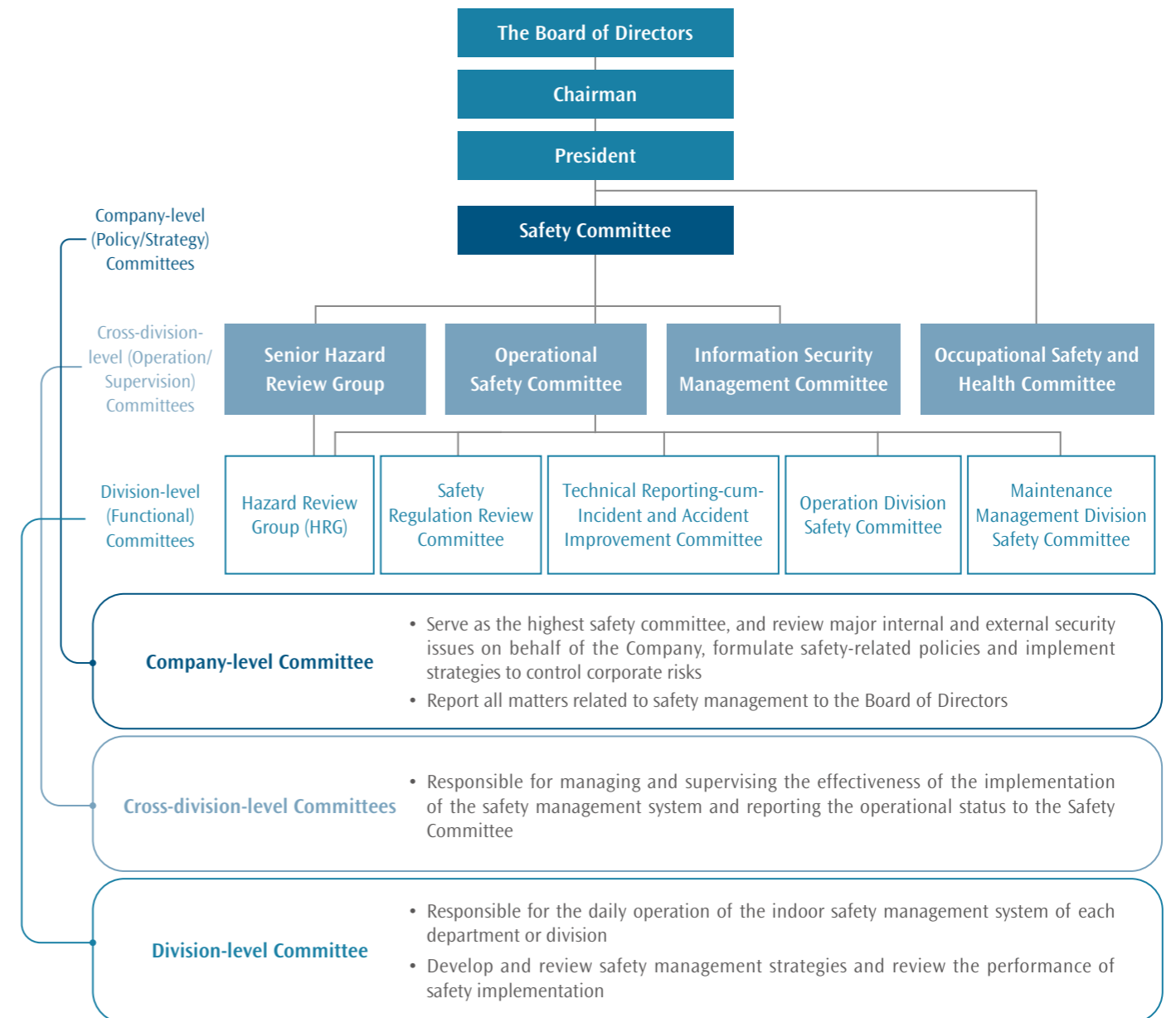
Safety Management System—Operation Safety Plan



Dedicated Safety Management Framework

To provide our passengers and colleagues with a safety first operational environment, we have set up safety committees at three levels. Through planning the safety policy with the most prudent attitude, the safety committees at all levels formulate strategies and supervise the execution to enable each employee to understand and implement the Company’s safety regulations. In addition, the employee work instructions stipulate that employees shall be assigned the management or execution responsibilities as per their job rankings to achieve safety management and shape a safety-oriented operating culture.

Safety Committee Organizational Chart



Note: 1. The Company-level Safety Committee convenes a meeting every six months. The Occupational Safety and Health Committee, as well as the Operational Safety Committee and the Information Safety Management Committee at cross-division-level convene a meeting every quarter. The Operation Division Committee, the Maintenance Management Division Safety Committee at division-level, and the HRG convene a meeting every month. The Safety Regulation Review Committee and the Technical Reporting-cum-Incident and Accident Improvement Committee decide whether to convene meetings depending on the situation, with no fixed frequency of such meetings.

2. The Occupational Safety and Health Committee is parallel to other safety committees, and is tightly connected to employee safety. For more details, refer to the sub-chapter titled “Protection of Rights and Considerate Care.”




Station and Route Safety and Risk Management

Maintaining the smooth operation of tracks is the core of safety management. THSRC's track maintenance personnel perform routine inspections after daily train operations. In 2020, there were a total of 1,800 turnout inspections. Routine track inspections and track irregularity inspections of 8,421 kilometers were conducted, respectively. The inspection frequency of the two main tracks on the east and west main lines was 25% ^(Note). In addition to rail track maintenance, daily inspection and maintenance of THSR facilities includes stations, trains, mechanical and electrical facilities, civil structures, and route safety, it covers the safety inspection of various facilities.

Train Inspection and Maintenance Performance in 2020

Type	Cycle	Number of Trainsets Maintained
Daily Inspection	Every 2 days	5121 trainsets
Monthly Inspection	Every 30 days or 30,000 km	641 trainsets
Bogie Inspection	Every 18 months or 600,000 km	33 trainsets
General Inspection	Every 36 months or 1.2 million km	17 trainsets

Other Railway Maintenance Management Plans

 Safety Actions	Adopt management systems, labor safety and hazard management mechanisms, employee safety training, and internal/external professional training to enhance safety awareness and professionalism.
 Operations and Measures	Purchase track advanced maintenance/testing equipment, engage in domestic development of rail equipment/spare parts, conduct technical exchanges and improvements in the track industry, and provide track's professional training.
 Professional Technologies	Adopt track alignment measurement, optical Track measurement, visual track inspection, train waving automatic measurement system, ultrasonic rail testing, rail and turnout grinding, and rail lubrication technique.

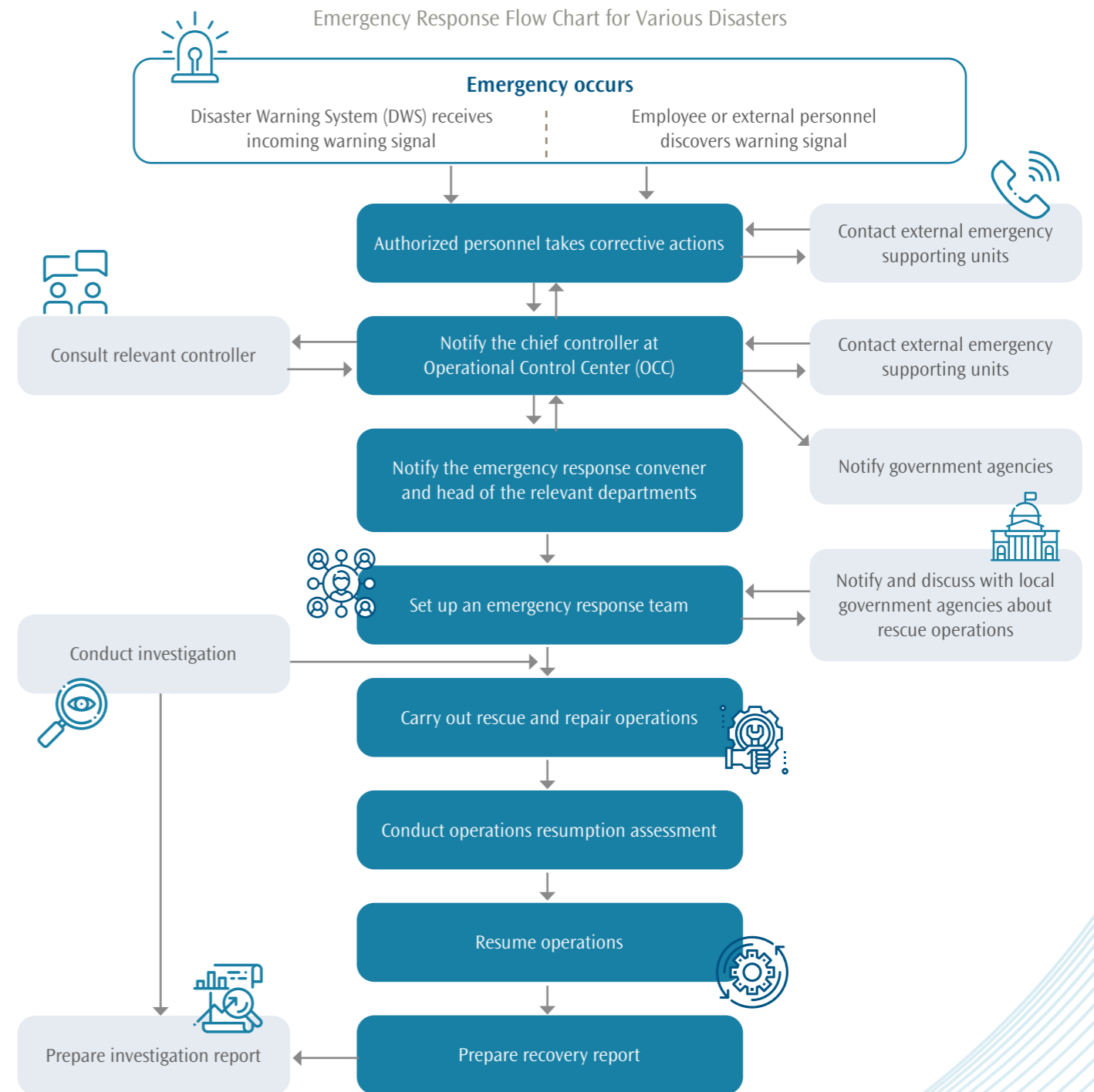
In addition to inspections, whether risk control can be implemented is a necessity for safety management. THSRC has a Hazard Review Group (HRG) set up, which is composed of members from various professional fields in the Company. It holds a monthly meeting to review hazard information and identify hazard risks while confirming whether appropriate procedures and technologies are implemented so as to put forth countermeasures to mitigate such risks. By the end of 2020, the hazard risk levels identified by the HRG meetings all fell within the risk tolerance range.

Note: The frequency of main track inspections (weighted calculation) is based on the rail transportation industry indicator TR-RA-540a.4 published by the Sustainability Accounting Standards Board (SASB), with (Number of inspections per week × Miles of track inspected) / (Total miles of main track) as the formula for calculation. In 2020, the inspection frequency of the two main tracks of the HSR east and west lines (Once per week × 108.608 miles) / (434.432 miles) = 25%

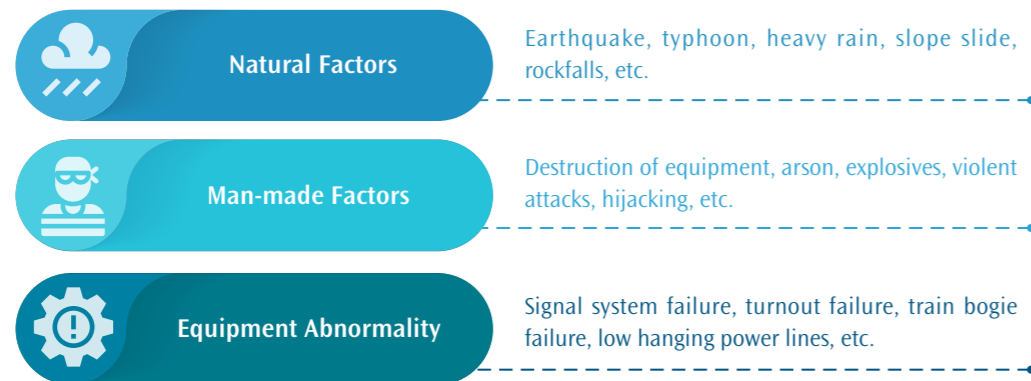
Disaster Prevention with Professional Response

Train Safety and Disaster Prevention and Response

THSRC has planned overall prevention and response measures as per various disaster categories and activates emergency response process in line with actual disaster events while taking various corrective actions to resume operations by working with relevant internal and external units to maintain customer travel safety.



The disasters that affect the safety of THSR trains are mainly divided into the three categories below:



Natural Factors-Natural Disaster Prevention and Response Mechanism

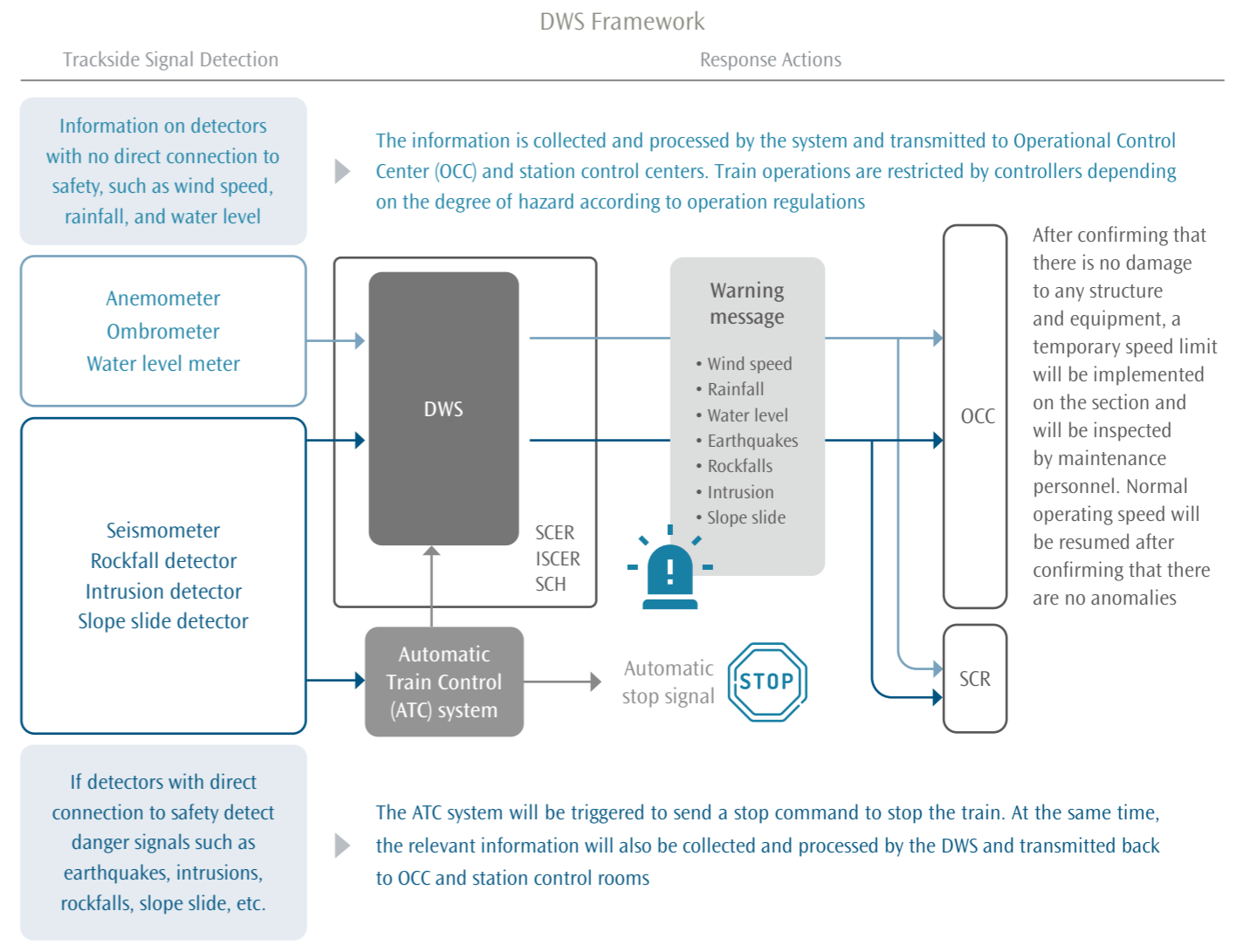
THSRC has adopted relevant laws and regulations on disaster prevention and fire safety as the basis for the formulation of internal plans and measures, and each station or depot implements various disaster prevention tasks as per the measures. The standard operating procedures for disaster response are also independently inspected for safety by international experts in the final inspection phase to ensure that the procedures can cope with various potential disasters that affect transportation safety.

Natural Disaster Prevention Measures

Type of Prevention/ Position of Prevention	Content of Prevention Measures
Passive Prevention Station facilities and operating trains	<ul style="list-style-type: none"> Construct station facilities and operating trains using fire-retardant, fire-resistant, low-smoke, and non-toxic materials according to fire prevention and environmental protection regulations, as well as regulations of the US National Fire Protection Association.
Predicted or Knowable Disaster Prevention HRC operation sites and operating trains	<ul style="list-style-type: none"> Initiate typhoon/rain prevention preparations in advance through interpretation of typhoon/torrential rain warnings and weather information. Formulate the "Overall Disaster Prevention and Response Plan for Taiwan High Speed Rail Traffic Accidents" with the Ministry of Transportation and Communications (MOTC), and establish supporting and assistance mechanisms with central and local rescue units.
Detection and Prevention along Operating Routes Operating trains	<ul style="list-style-type: none"> Install natural disaster warning detectors along the HSR line, which are directly connected to the automatic train control system and can automatically stop trains immediately if there are earthquakes, slope slide, and rockfalls that directly affect train safety.
Earthquake Prevention for Civil Structural Facilities Elevated bridges, tunnels, and flat sections	<ul style="list-style-type: none"> Civil structural facilities can still resume safe operation after earthquakes under the impact of structures equivalent to earthquakes with a 950-year return period.

In 2019, the Hokuriku Shinkansen Train Depot in Japan was flooded due to heavy rains from a typhoon, prompting THSRC to review the flood control standards and flood warning and evacuation plans of various depots and workshops. Therefore, in 2020, THSRC organized the "Train Flood Control and Evacuation Emergency Response at Wuri Depot" tabletop exercise, which was prone to similar risk, and issued an "Severe weather disaster mitigation measures" to respond to flooding warnings on short notice, while further discussing with the Taiwan Professional Hydraulic Engineer Association to ensure that the parking areas at the HSR station all met the flood control safety standards. After inspection, the current conditions of the relevant embankments, depots, and server rooms of the Wuri Depot all met the requirements.

In addition, there is a Disaster Warning System (DWS) along the line of the high-speed rail. In the case of an earthquake, foreign object intrusion, slope slide, rockfalls, or other dangerous signals directly related to safety are detected, it will trigger the automatic train control system to send a stop command to stop the train. The earthquake detector under it can also accurately monitor the earthquake's range in each region to enhance the early warning function.



- Notes: 1. SCER: Signaling and Communication Equipment Room
 2. ISCER: Intermediate Signaling and Communication Equipment Room
 3. SCR: Station Control Room
 4. SCH: Signaling and Communication Hut

Relevant information on the actual natural disaster events affecting the THSRC operation in 2020 is as follows:

2020 Natural Disaster Events Affecting Operations	Earthquake January 6, August 19 (once at 8:33 and 11:13, respectively), October 17, and December 10
Response Methods	After the main seismometer detects an earthquake warning, DWS automatically sets a temporary speed restriction (TSR) to 0 in the affected area, and the trains in the affected area automatically apply emergency brakes to stop. According to the standard operating procedures, after necessary inspections by OCC, the train will gradually increase its speed from a low speed to perform post-earthquake track inspections. After the train waving test and inspection are completed, normal operation will resume.



Man-made Factors—Man-made Disaster Prevention and Response Mechanism

As for man-made factors affecting safety, THSRC not only conducts safety inspections and strengthens drill plans according to different scenarios but has also formulated a “Material Man-Made Security Incident or Terrorist Attack Contingency Plan” to facilitate coordination with government agencies and to set up operational mechanisms while drafting execution plans for the stages of prevention, response, and clean-up and recovery. The relevant instructions are as follows:

- ▼ **Prevention stage:** HSR police are engaged to assist in maintaining station order and driving safety, and a security company is also contracted to maintain order at stations, right-of-way of equipment, and driving safety. For detailed information on security management, please refer to the “Partner Relationship Management and Local Supply” chapter of this report. In addition, dedicated personnel are assigned to monitor the Closed-circuit television cameras at various stations, important sever rooms along the rail, or tunnel entrances.
- ▼ **Response stage:** In the case of man-made safety incidents, THSRC will immediately activate the crisis management and control mode. The key actions include rescue, evacuation guidance, isolation of the scene, access control, and notification of railway police.
- ▼ **Clean-up and recovery stage:** After the on-site investigation and evidence search are completed and approved by the judicial authority, the on-site clean-up and recovery operations will be carried out. In the early stage of resumption of operations, inspections and patrols will be enhanced, and the scale of the police on duty will be increased as support.



Equipment Abnormality—Abnormality Prevention and Response Mechanism

To ensure travel safety, THSRC has formulated an internal inspection and maintenance plan and implemented it on a regular basis. Regarding the handling of abnormal equipment, THSRC through internal electronics workshop, carries out the repair and maintenance of circuit boards/modules of all train cars of the train system, the repair and maintenance of the switch of the signal system and electronic equipment, and turnout equipment reliability improvement project, while auditing and inspecting the maintenance records to strictly control the safety of the transportation equipment.

Disaster prevention and safety training

In addition to planning overall preventive and contingency measures based on the three types of risk factors above, THSRC has set out a drill training plan every year to conduct regular and unscheduled drills for various hypothetical scenarios, so that employees at all levels will be familiar with the emergency procedures. We continuously refer to domestic and international experiences in various railway incidents and the “Overall Disaster Prevention and Response Plan for Taiwan High Speed Rail Traffic Accidents” approved by the Central Disaster Prevention and Response Council, Executive Yuan, plan and launch various types of disaster prevention training and rescue drills with external supporting units to familiarize with the joint command response mechanism and improve on-site rescue and prevention capabilities. In 2020, THSRC completed a total of 78 disaster prevention drills and training at various stations, depots, and routes.

In response to possible major disasters, as well as in order to implement consolation and immediate medical care for injured passengers and their families, THSRC has established the “Care and Consolation Team” in all three regions, namely North, Central, and South Taiwan to provide relevant support and company, including care and consolation telephone lines, family contact, medical assistance, legal consultation, and funeral. This team also regularly participates in THSRC’s annual disaster prevention drills and training to review and optimize its mobilization effectiveness through drills.

Type of 2020 Disaster Prevention and Safety Training

Internal Training for Site Commanders and Disaster Relief Engineers	Disaster Prevention and Response Mechanisms Seminar	Disaster Prevention Drills and Training
A total of 395 site commanders and disaster relief engineers completed internal training	On November 19, 25, and December 8, various external supporting units along the HSR line (including the Toxic and Chemical Substances Bureau under the Environmental Protection Administration, firefighters, police, health units, environmental protection units, and Northern, Central and Southern medical response centers) were invited to attend the seminar on THSRC disaster prevention and response mechanisms. A total of 120 people participated in this seminar	THSRC invites various external supporting units and emergency shuttle bus transport operators to jointly survey the 184 emergency escape exits along the HSR line once every six months, in order to continuously familiarize with the disaster relief routes and emergency escape routes along the HSR line

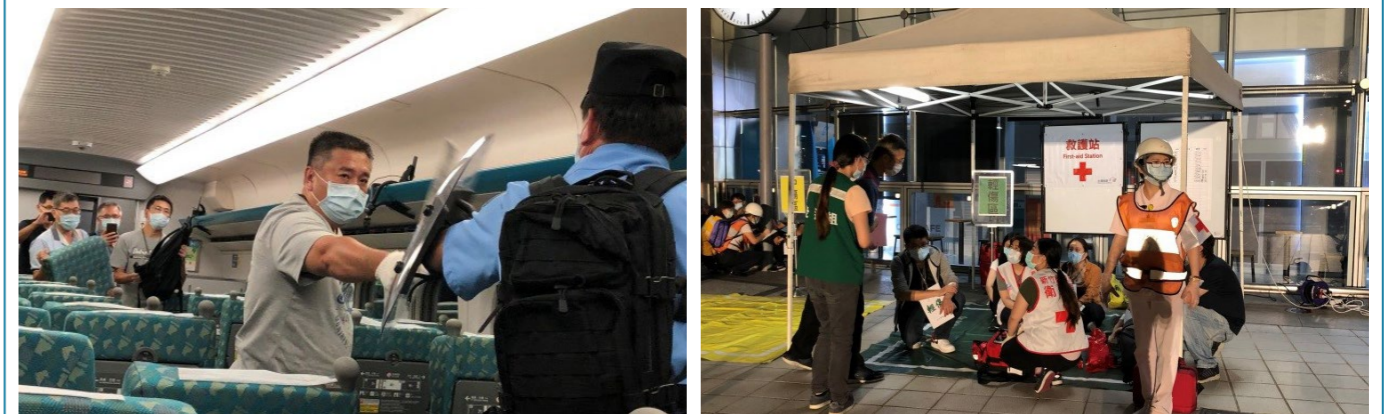
Disaster Prevention Drills and Training Records

Drill and Training Location	Station	Route	Building	Unscheduled Test	Others	Total
Frequency	60	7	5	5	1	78

Large-scale Joint Drills and Training Events in 2020

- As for a major security incident response drill, the “Tainan Station Major Security Incident and Fire Response Drill” was carried out at the elevated section of the mainline on the evening of November 12 to simulate an explosion incident at the station. After the incident, the station and the Operational Control Center (OCC) sent notices and conducted emergency response, evacuated passengers while mobilizing maintenance personnel to conduct disaster investigation and emergency repair operations. In addition to THSRC’s relevant employees, the Railway Bureau, Kaohsiung Branch of the Railway Police Office, Tainan City Police Department, Tainan City Government Fire Bureau, Bureau of Public Health of the Tainan City Government, Tainan Municipal Hospital, National Cheng Kung University Hospital, an Criminal Investigation Corps No. 5 of the Criminal Investigation Police Office all participated in this drill with around 200 participants.
- Others were about “Business Continuity Plan (BCP)” related to COVID-19.

Photo of Tainan Station Major Security Incident and Fire Response Drill



↑ Train security used defensive equipment to confront the criminal to avoid the escalation of casualties

↑ Injured passengers were treated at the first-aid station in a triage model

Safety-first 24/7 monitoring

In order to protect the safety of HSR stations and routes, THSRC has developed rigorous risk management and adopted the automated and computerized Operational Control Center (OCC) at the Taoyuan Operation Management Center (OMC) Building as the command hub of the overall system, including route control, signaling and safety interlock, power control, communication, data transmission, or monitoring alarms equipment. Through 24/7 real-time monitoring, THSRC keeps abreast of the status of the operation and night maintenance along the entire HSR line while maintaining close contact with the station control centers, depot control centers, and external emergency supporting units to ensure transportation safety.



THSR Operation Control Center (OCC) →

Smooth Travel in Adherence to Commitment

Traffic Dispersion and Transit Services

Dispersion measures

THSRC adopts rigorous internal procedures to draw up dispersion plans and submit them to the Ministry of Transportation and Communications (MOTC) for review before execution. At present, THSRC provides 34 trainsets in total for operational services. Train schedules are planned in line with travel needs at different time periods so as to maximize the capacity of the train to meet the travel needs.

Traffic Dispersion Scheduling Measures

Occurrence Period	Traffic Dispersion Scheduling Measures
Weekdays (Mondays to Thursdays)	Temporarily increase the number of trains according to the number of passengers on the current day.
Peak Weekend Periods (Fridays to Sundays)	Move part of the maintenance operations to weekdays to increase the number of usable trains during holidays, and temporarily increase the number of trains on the current day according to the number of passengers on the current day during the peak weekend period.
Traffic Dispersion During Long Holidays (e.g., Lunar New Year, Tomb-Sweeping Day, etc.)	Control maintenance operations and provide maximum operating capacity to meet transportation demand, and temporarily increase the number of trains according to passenger demand on the current day during the traffic dispersion period for long holidays, in order to disperse large numbers of passengers.

Note: For the latest information on THSR train services, please visit the webpage <http://www.thsrc.com.tw/tw/TimeTable/SearchResult>, or use the search service on the “T Express” mobile app.

THSRC also implemented a “Adjusted Short-term Schedule” during COVID-19 period, with 828 trains running per week. Since late May 2020, in response to the slowdown of the pandemic and the recovery in the travel demands, we have continued to increase the train frequency. From June 10 onwards, we had 961 trains running per week, and fully resumed operation to 1016 trains running per week from August 1 onwards to expand the capacity and meet the demands, so as to be there for passengers in the “Epidemic New Life Movement.”

Transit Service

THSRC offers transit or shuttle services in collaboration with various modes of public transportation at various operating locations, including shuttle bus, Taiwan Railways Administration (TRA), Mass Rapid Transit (MRT), public bus/express bus, taxis, parking lots, car rental, as well as pick-up and drop-off services for the disabled. Moreover, THSRC has prepared transit maps and established a transit information system for passengers to consult, while providing transit information at each HSR station on its corporate website. ↗

Sustainability Commitment

Transportation inclusiveness

To actively respond to the UN and Taiwan’s sustainable development goals of “building affordable, safe, eco-friendly, resilient, and sustainable transportation (SDG 9 Industry, Innovation, and Infrastructure),” THSRC is committed to providing passenger-friendly and inclusive accessible rides. Signs are set up at multiple places at the stations to guide the elderly, wheelchair-bound, physically challenged passengers, and those with large luggage or strollers so as to develop a friendly environment while a beautiful ride experience for every passenger is created through sound and complete station/train services and facility planning. Relevant services and facilities are as follows:

- Stations**
 - Completed the addition of family restroom at all stations, improved toilets on the concourse on the basement level 1 of the Taoyuan Station, and completed the addition of rain covers/gates in 2020 to provide a passenger-friendly environment.
 - Set up accessible ticket counters/ticket gates/toilets and elevators, and call bells in the accessible restroom for assistance to passengers at any time.
 - Specially prepared guidance services to assist elderly passengers traveling alone, wheelchair-bound passengers, or physically challenged passengers in entering and exiting the station. A total of 41,660 passengers received the guidance services in 2020.
- Trains**
 - Car 7 is designed as an accessible car, and four seats are reserved for disabled passengers’ companions to take care of the disabled passengers. The car seats and accessible restroom are equipped with call bells. The physically challenged passengers can use it to call the train crew for assistance when necessary, and there are also charging sockets for electric wheelchair charging.
 - There is a secure breastfeeding room at the entrance of car 5 of the THSR train. The train crew will also introduce the breastfeeding room equipment as per the passengers’ needs to provide a warm and safe travel environment for mother and baby passengers.

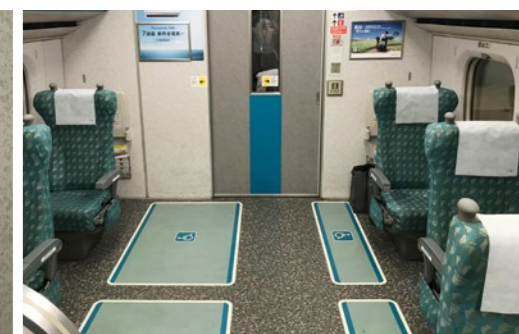
In addition, THSRC continues to monitor and analyze the injuries suffered by elderly passengers in the THSRC service areas and regularly reports to the relevant Safety Committee for review. After analysis, the injuries suffered by elderly passengers in 2020 were mainly caused by the unstable center of gravity while riding on the escalators. THSRC will continue to raise passengers’ awareness of the elevator riding guidelines to ensure safe and reliable services for elderly passengers.



↑ Set up elevator signs for the elderly, wheelchair-bound, physically challenged passengers, and those with large luggage or strollers



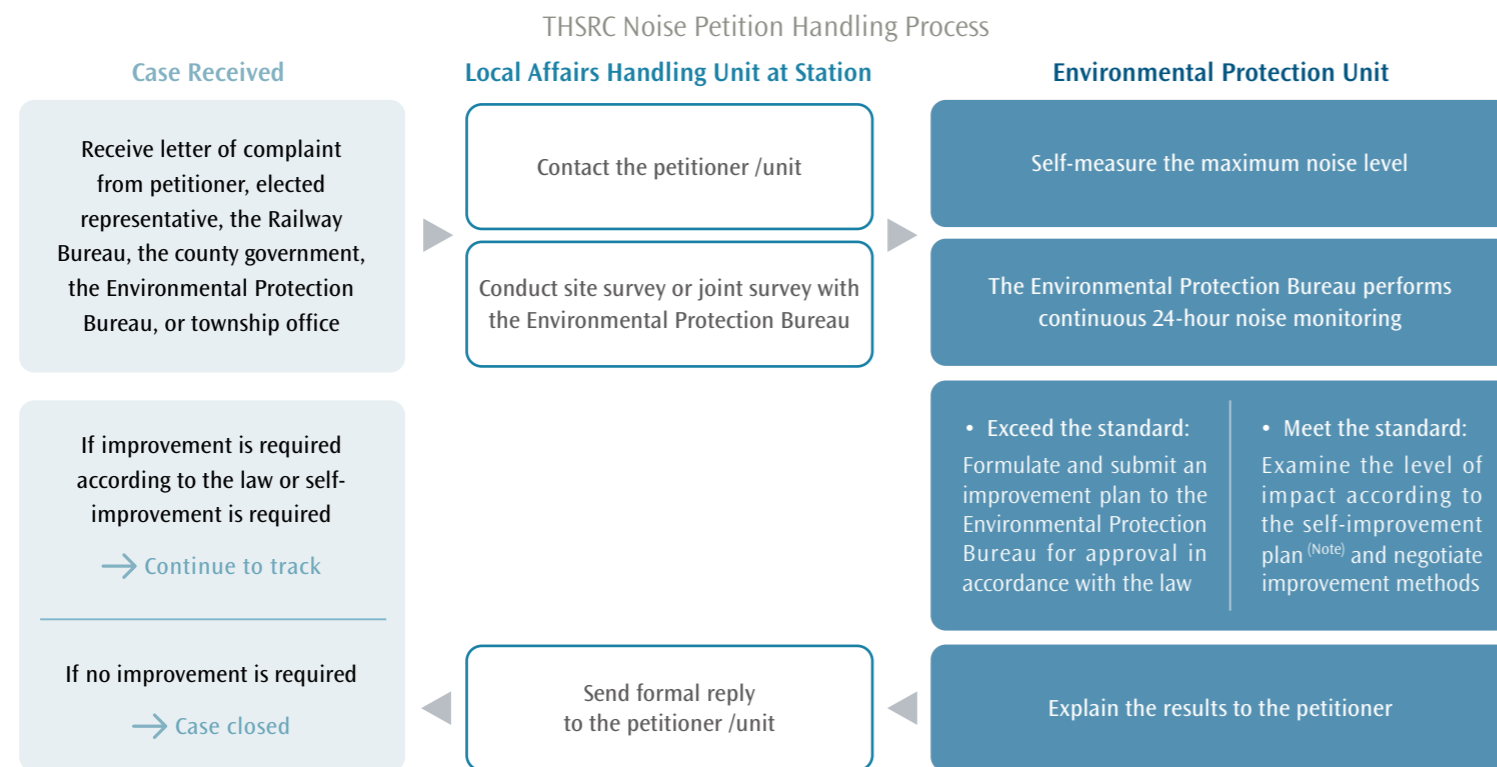
↑ There is a breastfeeding room in car 5 for female passengers who need to pump breast milk and breastfeed



↑ There are four accessible seats in car 7

Neighboring Care

We continue to implement environmental monitoring and environmental protection works through environmental management systems, so that our environmental protection projects comply with the relevant laws and regulations. With regard to the current environmental and noise problems under THSR bridges, which are most frequently reflected by residents along the HSR line, THSRC periodically organizes environments and waterway facilities under these bridges and implements improvement measures such as installing soundproof doors and windows at homes or building soundproof walls to reduce the impact of noise. Meanwhile, we have formulated the “High Speed Rail Noise Improvement Plan,” the “Work Plan for Noise Prevention and Improvement among Sporadic Households along the High Speed Rail Line,” and the “Noise & Vibration Petition Treatment for THSRC During Operation,” and established the “High Speed Rail Noise Petition Handling Process” to have the most complete noise handling and prevention procedures. Sales executives at each station also participate in activities from time to time and communicate with local opinion leaders and residents with the aim of achieving a win-win situation through communication. In 2020, we handled 18 cases of noise problems reported by residents along the HSR line. There was no need for further noise prevention measures to be implemented.



Note: The level of impact is determined in accordance with the technical specifications for environmental impact assessment set by the Environmental Protection Agency (EPA).

Number of Noise Petitions and Related Handling Statuses in the Three Most Recent Years (2018 to 2020)

Year	2018	2019	2020	Grand total
Number of Items	19	26	18	63
Need to be Improved	1	0	0	1
Remarks	Improved	—	—	—





Technology

Innovative Technology

Technology | Innovative Technology






Subchapter Title	Material Topic	Management Purpose	Management Method	Assessment Mechanism	Management Performance in 2020
Sincere Services and Intelligent Transportation	Technological innovation	<ul style="list-style-type: none"> Continue to apply new technologies in order to improve the convenience of ticketing services, the smoothness of ticket purchase channels, and the efficiency of train operations, while deepening customer relationships through digital innovation and strengthening communication immediacy. Meet the needs for real-time ticket purchases on mobile devices and enhance the customer's satisfactory experience of ticket purchases. 	<ul style="list-style-type: none"> Responsible units are in charge of reviewing the policies and market development of telecommunications technology and payment tools regularly, and providing relevant information to business units for the application of technology to develop innovative services and strategies to assist with the integration of technological and application aspects. 	<ul style="list-style-type: none"> Establish the "Origination Process of Business Process Computerization Regulation" and "Acquisition of IT System and System Development Regulation" to ensure that collaborative operations among all units can smoothly promote innovative services. 	<ul style="list-style-type: none"> As of the end of 2020, the cumulative number of downloads of the THSRC T-EX mobile ticketing APP had exceeded 10 million.
	Privacy and information security management	<ul style="list-style-type: none"> Provide passengers with safe, convenient, and reliable information services, including the collection, processing, or use of passengers' personal information, in order to ensure internal and external stakeholders' trust in THSRC's information environment. At the same time, learn about customer feedback and suggestions through periodic customer satisfaction surveys, in order to improve service quality and maintain customer relationships. 	<ul style="list-style-type: none"> Establish the ISO 27001 Information Security Management System, and formulate the "Information Security Policy" to supervise our colleagues and vendors in implementing information security protection. Develop a procedure for "The Plan of Security Measures for the Personal Information File," and hold meetings regularly for overall examination to ensure that personal information is fully protected. 	<ul style="list-style-type: none"> Perform audit by a third party once a year to maintain the effectiveness of the ISO 27001 information security management system. Perform the internal information security audit twice a year to review the implementation of information security of the user units and management units. Perform audit of the relevant units involved in personal information security management operations as per the "Management System Internal Audit Regulation" so as to keep abreast of the status of each unit's implementation of security maintenance measures related to personal data protection. Organize personal information knowledge education and training regularly and two personal information inventory audits every year. 	<ul style="list-style-type: none"> Introduced a real-time membership checking mechanism into the various ticketing systems, and TGo reached 1.6 million registered members by the end of 2020. Performed the third-party information security audit in October 2020; conducted the internal audit of information security in April and November 2020. Strengthened employees' information security awareness through information security education and training. In 2020, 100% of the employees completed personal information education and training.
Convenience, Attentiveness, and Maintaining Relationships	Customer relationship and quality management	<ul style="list-style-type: none"> Adopt diverse channels to actively respond to customer opinions and maintain high-quality service standards to ensure that the product content, services, and safety performance meet passengers' needs to respond to the diversity and variability of the transportation market. 	<ul style="list-style-type: none"> Establish "Feedback Collection Channels and Customer Service Operations System" and "Current Customer Complaint Resolution Mechanism" to keep abreast of and respond to customers' needs accurately. Establish digital customer services to improve service efficiency, add more customer service personnel to work on English texts to meet international travelers' needs for inquiry, and strengthen the integrity of customer services. Establish digital customer service through the systematization of knowledge base and introduction of robots, and expand customer service in foreign languages to improve the service efficiency and quality of the customer service center. Maintain the safety and quality of travel and transportation through external quality inspection and internal pattern identification. Strengthen the service quality of attendants, optimize facilities of stations and trains, and sell wider variety of products. 	<ul style="list-style-type: none"> Collect passenger feedback and continue to optimize services through the four major questionnaire surveys, namely "ticketing service," "train equipment and services," "station facilities and services," and "train schedule planning." Add a tracking mechanism to the Customer Response Handling System (CRH) to remind the responsible units to report on the progress of improvement, and implement the improvement to ensure service quality. Manage the execution progress of each marketing project through regular meetings and closing reports, and track the achievement of targets. 	<ul style="list-style-type: none"> Passenger satisfaction surveys were outsourced every year. In 2020, 97% of the overall service satisfaction answers were "satisfied and very satisfied" The digital customer service was launched to the public on November 12, 2020. After the launched of digital customer service, the number of text customer service cases handled by real people has been greatly reduced.

Sincere Services and Intelligent Transportation

In order to create a highly satisfying customer experience, THSRC continues to apply the latest technology to enhance operational efficiency and service quality. In terms of operational efficiency, we adopt the "Train Operation Management Information System (TOMIS)" to integrate train number, driving position, train schedule, and other travel information to assist train crew members with proper transportation management. We have also introduced graphical data and cross-query functions into various systems to strengthen the efficiency of train operation management. As for service quality, we have actively promoted more intelligent train services. For example, the number of tickets purchased through the T-EX mobile ticketing application on mobile devices was increased from about


8.61 million in 2018 to over 13 million in 2020, and all seat reservation systems (including ticket counters, ticket vending machines, websites, convenience stores, and smartphones) adopted the "TGo Member ID Real-Time Verification" in 2020 to improve the accuracy of ticket purchases by members. THSRC has optimized its own operations and travel experience while continuing to support the "2020 Annual Meeting of Intelligent Transportation Society of Taiwan and Symposium on ITS Applications" to promote the development and implementation of smart transportation using practical actions.

THSRC ITS Smart Railway Services System

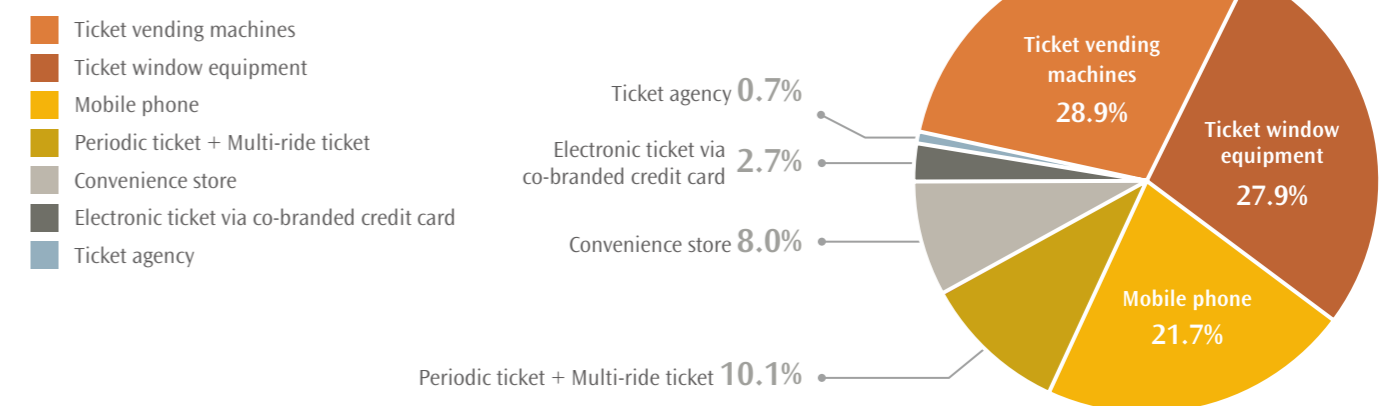
<p>01</p>  <p>Smart Ticketing System</p>	<ul style="list-style-type: none"> Complete the software optimization of the ticket counter equipment in the stations and the upgrade of the network equipment Plan the periodic/multi-ride ticket renewal service on the mobile phone Establish a new-generation ticketing service system Promote the upgrade and revision of T Express to enhance user experience
<p>Smart Passenger Service</p> <p>02</p> 	<ul style="list-style-type: none"> Launch Artificial Intelligent Customer Service (AICS) to provide passengers with answers to frequently asked questions and personalized inquiry services 24/7 Launch the “TGo 365” Point Redemption Service to provide daily-life point usage services in addition to the redemption of passenger points for tickets Establish a ticket counter information display system to improve passenger services
<p>03</p>  <p>Integrated i-Traveling Information</p>	<ul style="list-style-type: none"> The T Holiday provides diverse travel information and exclusive discounts through the TGo points as members can redeem their points for travel expenses Launch the online redemption for travel passes for tourists from overseas
<p>Smart Train Operation</p> <p>04</p> 	<ul style="list-style-type: none"> The “Intelligent Train Crew Duty Report System (IDRS)” is launched to provide crew members with online maintenance and service information query to improve the efficiency of transportation management The “Crew Utilization Plan System (CUPS)” is launched to save personnel’s shift scheduling time The “OCC Mimic Panel Display Intelligence Integrated System” is planned to analyze the route and the status of the turnout in real time so as to strengthen the safety and efficiency of train operation management
<p>05</p>  <p>Smart Safety & Emergency Management</p>	<ul style="list-style-type: none"> Organize historical operation data of THSRC for digital management, build an operational safety incident information system, and provide operational safety statistics as a reference for decision-making Continue to develop localized earthquake early warning technologies and systems, review and improve the earthquake inspection operations in the past, provide suggestions for the best response decisions, and reduce the risk of earthquake disasters Integrate the Company’s existing response information systems for the Emergency Operation Center (EOC) and on-site units for response reference to improve response efficiency

THSRC continues to expand the diversity of ticket sales channels. In addition to ensuring the smooth operation of traditional ticket purchase channels, we also respond to mobile payment and expand payment methods to optimize the convenience of ticketing services. In order to ensure the fairness of ticket purchase transactions, THSRC has introduced mechanisms to prevent bots from snatching huge numbers of tickets. Any abnormal situation found will be dealt with by taking appropriate blocking measures against specific sources. In the near future, THSRC will continue to optimize and set up relevant blocking mechanisms through system monitoring.

Ticket Purchase Channels

 <p>Smartphone</p>	 <p>Convenience Store</p>	 <p>Website</p>	
<p>Electronic ticket system via smartphones (T Express Mobile APP)</p>	<p>Convenience Store Ticketing Service (7-Eleven, Family Mart, Hi-Life, and OK Mart)</p>	<p>Online reservation system</p>	
<p>• The “TGo Member ID real-time verification” was activated in April 2020 to improve the accuracy of TGo members’ ticket purchases.</p>			
<ul style="list-style-type: none"> In 2020, more than 13 million mobile phone tickets were issued, making it the most commonly used ticketing channel for people to purchase THSR tickets. 	<ul style="list-style-type: none"> Provide passengers with convenient ticket purchase/collection services 24 hours a day, all year round, at over 11,000 convenience stores (7-ELEVEN, Family Mart, Hi-Life, and OK Mart) nationwide. A total of 5.2 million THSR tickets were sold at convenience stores in 2020. 		
 <p>HSR Stations</p>	 <p>Gate (Mobile Payment)</p>	 <p>Telephone</p>	 <p>Others</p>
<p>Ticket window equipment Ticket vending machines</p>	<p>EasyCard Co-branded Credit Card iPass Co-branded Credit Card</p>	<p>Voice reservation system</p>	<p>Customer service center Reservation for group tickets (including ticket counters at HSR stations, fax, and online booking) THSR+Airline/Hotel Combo Ticket Booking System Agent ticketing management system</p>
<ul style="list-style-type: none"> The “TGo Member ID real-time verification” activated at the ticket counters and the ticket vending machines in December 2020 at the same time to improve the accuracy of TGo members’ ticket purchases. 	<ul style="list-style-type: none"> Using Co-branded EasyCard/iPass Co-branded Card to purchase tickets for non-reserved seats enables passengers to board THSR trains without having to top-up and purchase tickets in advance. In 2020, more than 1.5 million passengers purchased electronic tickets for non-reserved seats using co-branded cards. 		<ul style="list-style-type: none"> To reduce travel uncertainty, THSR Pass, Joint Pass, and One-Way Ticket are available for passengers to select travel dates and reserve THSR seats online in October 2020. STARLUX Airlines collaborated with THSRC in the THSR+Airline Combo Ticket in November 2020.

Overview on the Use of Ticketing Channels in 2020



Passenger Services

Strengthening Customer Relationships with Optimized Experience

THSRC launched the “TGo membership program” in October 2017, enabling customers to purchase tickets as THSRC members and accumulate points to redeem THSR tickets or enjoy discounts. The cumulative number of registered TGo members reached 1.6 million people as of the end of 2020.

To increase customer loyalty and adhesiveness, THSRC established a “TGo 365” Point Ecosystem in July 2020 with more than 60 external chain enterprises and stores in HSR stations, as well as launched a total of more than 365 products, so that members can freely redeem their points for products. With the effect of alliances across different industries, this program can facilitate business opportunities for relevant businesses while jointly enhance the value of THSRC TGo membership. For discounts and rights related to the “TGo membership program,” visit our corporate website. [↗](#)

↓ Promotional Visual for the TGo Membership Program



Innovative, Digital, and Real-time Communication

To facilitate real-time communication with consumers, THSRC has launched a personalized mobile ticketing service “T-EX App” and the “Taiwan High Speed Rail app” [↗](#) that emphasizes multi-functional travel services to provide customers with more comprehensive digital services in different aspects. According to the statistics, as of 2020, the cumulative number of downloads of the “T-EX App” exceeded 10 million, of which mobile payment accounted for 38%; the number of downloads of the “Taiwan High Speed Rail app” exceeded 950,000, of which the registered TGo members exceeded 75%.

THSRC has not only developed different digital tools to optimize consumer experience, but also is committed to developing a multi-faceted information platform that provides passengers with real-time access to information related to train schedule, including setting up electronic billboards in station halls and waiting areas, to broadcast public information related to transportation instantly and promotional videos. THSRC also provides the latest product and service information through our Facebook Page to interact with customers in real time or to obtain feedback and suggestions instantly. In 2020, THSRC’s Facebook Page garnered 419,000 fans cumulatively, an increase of 33,000 as compared with last year while posts on THSRC’s Facebook Page reached 37.52 million people, with 1.18 million interactions on these posts.

Taiwan High Speed Rail App



T-EX App



Number of fans **419 thousands**

Post reach **37,520 thousands**

Post interaction **1.18 million**

Smooth 4G Communications Along the Entire HSR Line

THSRC completed the establishment of the 4G network for communications throughout Taiwan in 2018; as such, all 12 stations and 408 HSR cars can be connected through 4G Internet service of “iTaiwan” 24/7, successfully achieving THSRC’s ideal of “high speed travel with uninterrupted on-board connection.” In order to provide a ride experience that exceeds customer expectations, THSRC completed the network architecture and equipment upgrades of the entire train set on June 30, 2020 so as to provide multimedia Video On Demand (VOD) service, live streaming channels, and commercial marketing services, and launch train Wi-Fi and VOD services to optimize business application.

Convenience, Attentiveness, and Maintaining Relationships

Safety and Quality Services

THSRC insists on safety and high-quality services, arising from its responsibility towards and commitment to customers. To this end, THSRC promotes quality policies from top to bottom, incorporates the spirit of quality into the daily work of every employee while regularly reviewing the effectiveness of quality management through a rigorous quality management system and various quantitative quality performance indicators to protect each passenger who trusts THSRC.

Quality Management System (QMS)

THSRC has introduced the ISO 9001 quality management system since 2005 and has held a quality management review meeting every year since 2007, which is hosted by the President. With the heads of various offices and departments participating in the meeting, it aims to review the continued applicability of the Company’s quality management system and quality policy to implement quality management thoroughly. THSRC also examines the facilities related to internal operations, equipment, and the configuration of relevant system software and hardware components while strictly controlling and inspecting the quality of internal operations.

Since 2010, THSRC has commissioned an external third party to conduct certification of the quality management system as per the ISO 9001 international standard. As of 2020, it had successfully passed the certification. The scope of certification covers the overall core business of “HSR operation, maintenance, and passenger service” to ensure that the Company’s quality management system keeps pace with the times, and continue to enhance the quality of operations and maintenance. In addition, the Railway Bureau, Ministry of Transportation and Communications (MOTC), serving as a supervisory role in external quality assurance, conducts regular inspection and temporary inspection of THSRC operations as needed every year.

Quality Audit and Supervision Unit	Items	External Quality Inspection Items		
		2018	2019	2020
Third-party Certification Company	Verification of ISO 9001	Transition of ISO 9001 version transfer	Renewal of ISO 9001 certification	Regular audit and verification of ISO 9001
Railway Bureau, MOTC	Annual regular operational inspection and temporary inspection	Once	Once	Once

Internal Configuration Identification	
Items	Description
Main Categories	Core, trackside equipment, track, closed-circuit television, facility, station, maintenance depot, and depot equipment
Total Monitored Items	34,919
Percentage of Configuration Monitored Items	80.70%
Verification Method/Frequency	Internal verification by the Quality Assurance Office/once every quarter

In order to pursue travel services that exceed customers’ expectations, THSRC has launched an employee proposal improvement system in 2011 to encourage employees to leverage their creativity to improve quality control performance to win over customers. In addition, THSRC has introduced Quality Control Circle activities and adopted innovative thinking and technology to motivate the entire company to improve the quality, safety, and efficiency of travel with a view to improving the timeliness of the overall operations, reducing operating costs, and demonstrating our culture of attaching importance to safety and quality, and the cases of the best performance improvements in 2020 are shown in the next page:



The best quantifiable case of performance improvement in 2020—“Passenger Information System (PIS) Network Architecture Optimization and Equipment Cost Reduction”

The network cabling design structure has been improved and optimized, and the equipment with high failure rate has been replaced with new equipment to effectively reduce the labor and equipment cost for inspection and repair, saving a total of NT\$850,000.



↑ Chairman Chiang, Yao-Chung personally presented the flag to the members of “The Red Star Circle Team” during the launch of the Quality Month



The best unquantifiable case of performance improvement in 2020—“Unmanned Aerial Vehicles (UAV)-assisted Steel Bridge Inspection”

UAV-assisted steel bridge inspection is adopted to reduce the high-risk manual operation so as to mitigate the safety risks of employees and engineers in the inspection operations while reducing other maintenance work that needs to occupy the rail track. This has effectively shortened the time and reduced the expected cost of setting up devices significantly.



↑ Taiwan Continuous Improvement Award presented the first prize (Golden Tower Award) to THSRC

Quality Management Review

To provide customers with travel services in line with four major aspects of “safety,” “reliability,” “efficiency,” and “customer satisfaction,” THSRC has established various key performance indicators for quantification of quality, and reviewed and improved relevant tasks that have not reached the target by following up on the results quarterly. In terms of operational safety, we are proud of our zero-accident record, no accidents or injuries to passengers or to the general public were caused by train service operations in 2020. Along with the efforts of our colleagues, we also successfully met the targets of performance indicators (passenger injury rate) associated with passengers.

Quality Performance Indicators

Target	Items	Formula	2018		2019		2020	
			Target/Estimated Value	Achieved Value	Target/Estimated Value	Achieved Value	Target/Estimated Value	Achieved Value
Safety	Passenger injury rate (severe injury and death)	Passenger injury (severe injury and death) per million trips	0	0	0	0	0	0
	Passenger injury rate (minor injury and medical treatment)	Passenger injury (minor injury and medical treatment) per million trips	≤ 0.04	0.03	This item was canceled in 2019 (Note)		—	—
	Passenger injury rate (minor injury)	Passenger injury (minor injury) per million trips	≤ 0.10	0.06	≤ 0.08	0.06	≤ 0.07	0.05
Reliability	Five-minute punctuality rate	Number of train runs with delays within five minutes of scheduled time/Total number of train services	>99.5%	99.8%	> 99.5%	99.9%	> 99.5%	99.8%
Efficiency	Customer comments & suggestions achievement rate	Number of cases replied within 7 days/Total number of cases	≥ 99%	100%	≥ 99%	100%	≥ 99%	100%
Customer Satisfaction	Overall service satisfaction	Number of respondents giving 5 points and 4 points in the customer satisfaction category/Total number of respondents	≥ 95%	96%	≥ 95%	96%	≥ 95%	97%

Note: Minor passenger injuries must be reviewed and actions must be taken to make the necessary improvements. However, “minor passenger injury and medical treatment” is often determined based on passengers’ subjective judgment. Therefore, this “Key Performance Indicators (KPI)” was removed since 2019, and its removal was approved by the 62nd Operational Safety Committee and the 1st Safety Committee.

Privacy and Information Security Management

Privacy and information security issues have become risks that come with smart services. In 2020, THSRC passed the renewal of ISO 27001 certificate. We will continue to maintain the validity of the certificate and continue to make improvements in the field of information security. We plan to expand the scope of management in 2021 and complete the certification of the expanded scope in 2022. THSRC will continue to supervise employees and service providers to implement information security protection through external audit and internal control mechanisms. In 2020, THSRC received no customer complaints regarding infringement of customer privacy or loss of customer information.

Internally, we have not only established the “Personal Information Protection Implementation Group” but hold meetings regularly to review the personal information protection mechanism while organizing personal information knowledge education and training regularly and two personal information inventory audits for all employees every year to strengthen each employee’s awareness information security. The number of training participants in 2020 was 4,609 (as of the third quarter of 2020, excluding new employees and those on long-term injury and sick leave), and 100% of all employees completed the training.

Externally, THSRC adopts the highest standards to protect customers’ data. Taking the “TGo Membership Program” as an example, member information is encrypted before being transmitted, whereas anti-theft mechanism is applied during the transmission process. In addition, internal access control is adopted for systems, and some services can only be accessed through the membership card number, which effectively reduces the use of confidential personal information. For the regulations on members’ personal information and rights, please refer to the “Terms of Use for TGo Membership Service.” We have also published the “Personal Information Protection Policy” and the “Rights and Interests Regarding Customer Information Protection” to ensure the security of personal information of all customers.

Implementation of Personal Information Protection

Safety Maintenance Measures for Personal Information Protection Management

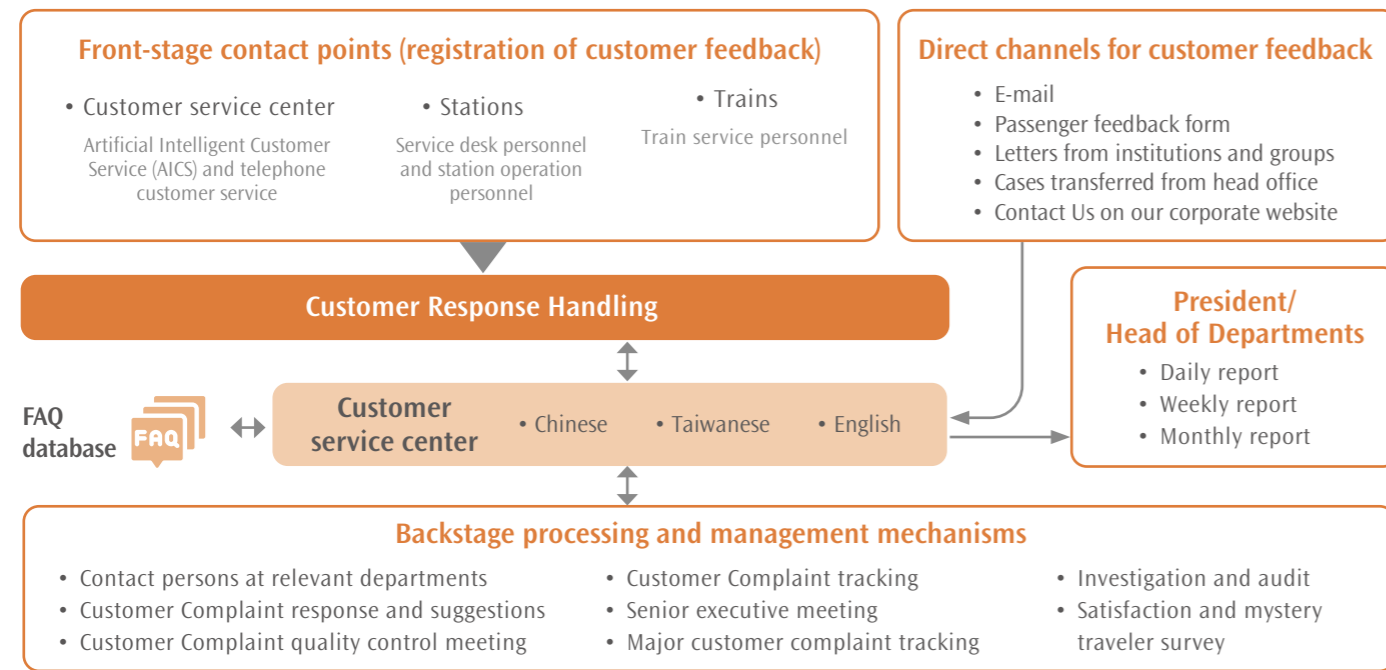
2020 Personal Information Management Measures and Execution Results

	Establish a management organization and allocate considerable resources	Department representatives formed the “Personal Information Protection Implementation Group.” As of September 2020, there were 21 personal information representatives, and a personal information representative meeting is held every quarter, and a total of 4 such meetings were held in 2020
	Risk assessment and management mechanism for personal information	A three-level management model is adopted as per the security level of personal data files, and risk identification and assessment of personal data files were conducted every year, and personal information inventory audit was performed twice every year, to maintain the correctness of the “Personal Information File Inventory”
	Information security management and accident prevention, notification, and response mechanisms	Information is divided into three types: written forms, electronic files, and system files, and relevant regulations on personal information security incident response, a complete notification mechanism, and a review and improvement policy have been formulated. As of 2020, no personal information security incident occurred
	Awareness promotion and training	One hour of training for new employees and one hour of annual training for all employees were conducted
	Equipment safety management	Terminal equipment (including personal computers, notebook computers, and mobile devices) and various types of servers are all handled in accordance with the THSRC’s relevant information security management regulations
	Overall continuous improvement of personal information security maintenance	The annual audit results are regularly reviewed at the personal information representative meeting and reported to the review meeting of the Information Security Management Committee

Customer Relationship Management

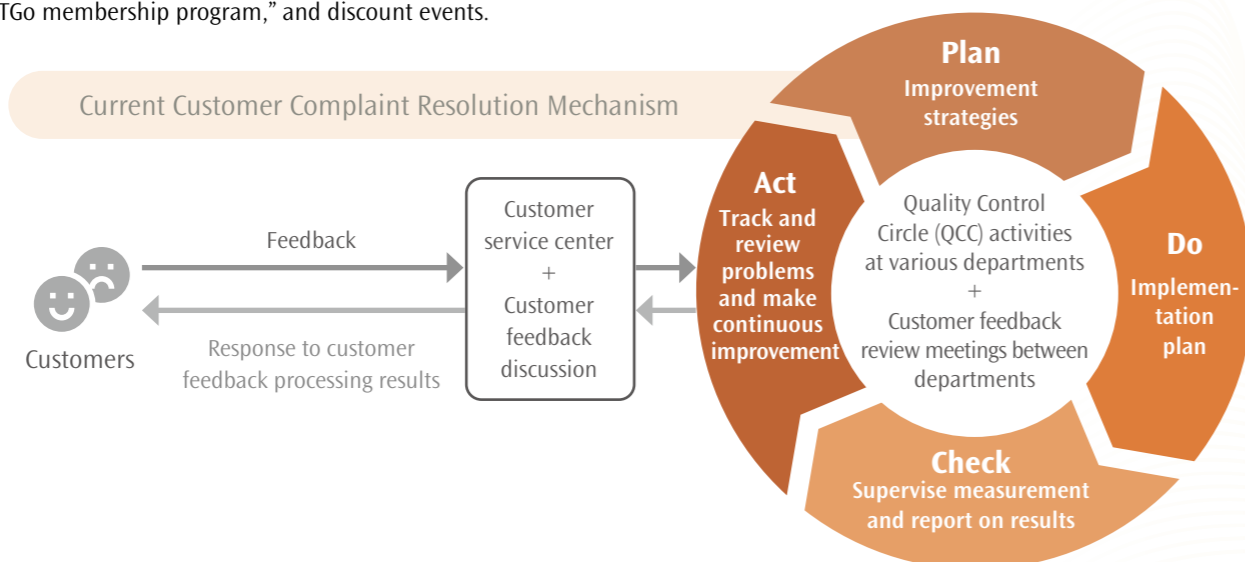
Understand customers' needs and continuously provide more refined and thoughtful services are the driving force behind THSRC's progress. In order to efficiently collect and respond to customers' opinions, THSRC has set up a dedicated management department and opened up diverse channels to actively develop customer relationships and improve the overall service quality, such as the provision of services in the Chinese/Taiwanese/English languages at the customer service center, real people text customer service, and message sending function at the corporate website, to respond to all passengers' needs in real time. Furthermore, THSRC launched an Artificial Intelligent Customer Service (AICS) in November 2020. In the future, we will continue to observe and improve the accuracy of the service with a view to improving the service quality and optimizing the management.

Current Feedback Collection Channels and Customer Service Operations System



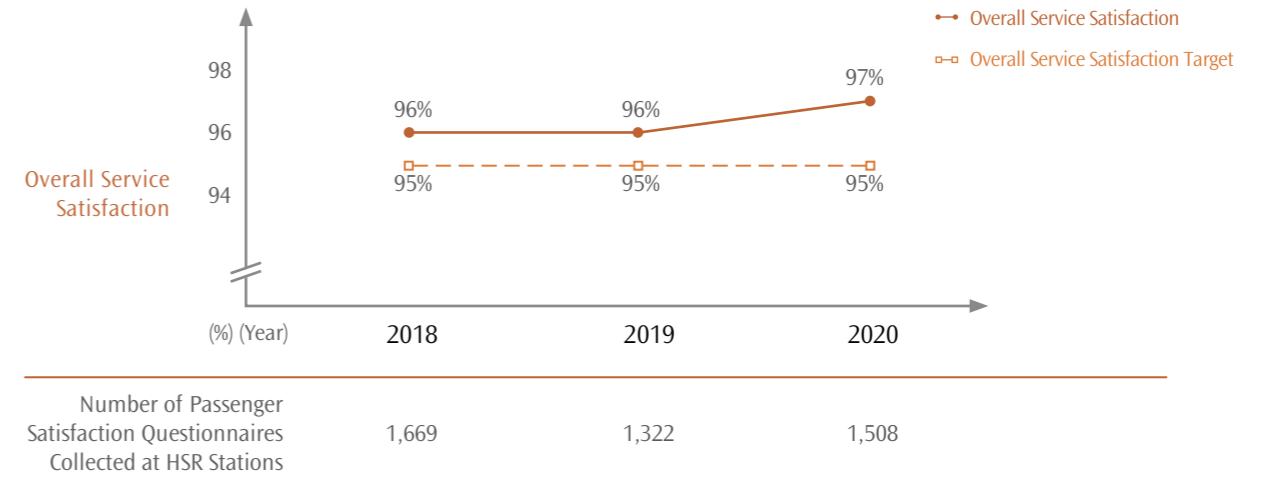
THSRC Corporate Website | www.thsrc.com.tw
 Customer Service Center Hotline | 4066-3000; Miaoli, Taitung, Kinmen, Matsu areas and mobile phone: 02-4066-3000; Calls are not toll-free

THSRC has set up a complaint resolution mechanism to not only provide immediate consolation and attention but also submit customer feedback to the quality management process at each department and customer feedback review meetings among departments, so as to truly incorporate customer feedback into management and implement improvements. In 2020, our customer service centers handled approximately 22,000 pieces of customer feedback and answered approximately 650,000 customer inquiries, which were mainly about ticketing, "TGo membership program," and discount events.



Customer Affirmation

Customers' recognition and feedback are important indicators for THSRC to review its own quality management performance. We commission third parties to investigate customer satisfaction every year. In 2020, our questionnaire survey included four major areas, namely "ticketing service," "train equipment and services," "station facilities and services," and "train schedule planning," and we collected a total of 1,508 copies of questionnaires. According to the statistical results, the overall satisfaction toward THSRC's services was 97%, which was not only higher than the target set internally but it was also higher than the percentages in the previous two years. This has demonstrated the effectiveness of our pursuit of excellent travel quality.



Note: Customer response rate = Number of cases responded within seven working days/Total number of cases.

To actively respond to customers' expectations and implement optimization measures as planned, improvement measures as per the 2020 customer satisfaction survey include:



Stations: Strengthen the proactivity of station personnel in service provision, guide passengers to use the fourth-generation automatic ticket vending machines to save passengers' time for ticket purchase, change, and refund, plan a credit card machine replacement project, improve equipment reliability, strengthen toilet cleaning and inspection frequency, adjust the types of stores in each HSR station and the layout of commercial spaces to meet passengers' consumption needs, and improve the comfort of the station space (addition of guide signs/elevators/rain cover of the station square, replacement of LED energy-efficient lamps, repair of waiting seats, etc.).



Train compartments: Continue to promote the concept of quiet train compartment (e.g., affix "Please keep quiet on the train" stickers to entrance doors, swing signboards when selling goods from train trolley in general compartments/business class compartments, and broadcast announcements to ensure quiet train compartments according to site conditions), launch famous/hotly discussed products and new year boxed gifts to facilitate sales of on the train. Regularly select business class snack items, launch festive snack items, and continue to review the categories of newspapers and magazines provided to the business class car.



Taiwan

Enhancing Local Connection

Taiwan | Enhancing Local Connection

Subchapter Title	Material Topic	Management Purpose	Management Method	Assessment Mechanism	Management Performance in 2020
Partner Relationship Management and Local Supply	Sustainable Supply Chain Management	<ul style="list-style-type: none"> Avoid joint and several liabilities caused to THSRC and affect corporate image due to oversight of suppliers, while hoping to work toward a more sustainable partnership with suppliers and partners. 	<ul style="list-style-type: none"> Include the requirements for the environment, society, and corporate governance into management mechanisms, such as supplier evaluation, visit, and audit, commitment signing, and other management mechanisms. Indicate in each procurement case that suppliers may not violate national laws and regulations, including the Labor Standards Act and environmental protection laws. Formulate safety and health policy to be followed in procurement cases and require vendors to meet occupational safety and health requirements when performing contracts. Employees of contractors must not only complete training but also obtain safety certification related to High Speed Rail Operations Regulations before carrying out operations at the workplaces of THSRC. 	<ul style="list-style-type: none"> The corresponding audit unit participates in suppliers' procurement process and conducts evaluation based on the supplier self-assessment form. THSRC has also set up grievance channels, and corresponding personnel will provide assistance should a supplier have any doubts. 	<ul style="list-style-type: none"> There were a total of 714 cases announced in which suppliers were required to fight against corruption and not to affect the fairness and impartiality of procurement cases. A total of 437 corporate social responsibility commitments and 46 corporate social responsibility commitment self-assessment forms were collected.
	Local Economic Development	<ul style="list-style-type: none"> Promote local economic growth through collaboration with local enterprises or institutions, including domestic train manufacturing localization, local procurement, local tourism development, support of local small- and medium-sized businesses, and promotion of local products. 	<ul style="list-style-type: none"> Collaborate with government agencies and local enterprises to develop rail-related equipment and systems; actively implement local procurement. Plan and provide diverse tourism products for the development of local sightseeing and tourism to facilitate the local tourism economy. Provide lower rents to local businesses to organize markets or product pavilions at HSR stations for passengers to purchase local products and promote employment opportunities for local small- and medium-sized businesses. 	<ul style="list-style-type: none"> Examine the effectiveness based on local procurement amount, development of alternative materials, and development of relevant equipment and systems. Keep abreast of the benefits of THSRC travel products by counting the number of tourist visits, business volume, traffic volume, and sales. 	<ul style="list-style-type: none"> In 2020, we visited local suppliers 461 times and completed 122 alternative material development cases. From 2011 to 2020, there have been a total of 117 alternative materials-developing manufacturers, with around NT\$ 2.61 billion saved. In 2020, the number of passengers reached 2.546 million, and the total cumulative traffic volume of THSR over the years exceeded 600 million passengers.

THSRC's booth at the 2020 Taipei International Travel Fair

To promote travel products related to "Journey with THSR, Discover Taiwan," THSRC participated in the 2020 Taipei International Travel Fair. With the overall design based on the brand spirit of "Be There" this year. We reused props and optimized the structure and the space in line with the low carbon concept and highlighted the THSRC's corporate philosophy "environmental sustainability." We also set up a co-branded souvenir zone "Taiwan High Speed Rail x Kanahei's Small Animals" in the booth with an ingenious picnic-themed scene for the public to check in and take photos while experiencing the interactive fun. A variety of eye-catching highlights made THSRC stand out from many exhibitors and won the "Best Pavilion Award" in 2020.



↑ President Tsai Ing-wen visited the THSRC's booth



↑ THSRC's booth won the "Best Pavilion Award" of the 2020 Taipei International Travel Fair

Glide through Taiwan and Stretch Global Wide

Local Travel

THSRC adopts “Journey with THSR, Discover Taiwan” as the main theme to promote travel packages. The main products are divided into “T Holiday” packages planned by THSRC and sold through travel agencies, as well as the “THSR+Hotel Combo Ticket” and the “THSR+Bus/MRT Combo Ticket” in line with independent travelers’ needs. Please refer to THSRC’s website [for](#) more information on the latest types of ticket combinations and on the purchase and usage methods. THSRC collaborates with relevant domestic hotels and tourism companies to achieve synergy in publicity to increase sales volume while promoting local economic development and continuing to develop innovative forms of travel services.

In the summer of 2020, THSRC took the lead in launching the “See you again” series of discounts to respond to the National Tourism Revitalization Project due to the slowdown of Coronavirus disease 2019 (hereinafter referred to as the COVID-19) and attracted nearly 220,000 passengers, which exceeded the estimated sales target by more than three times. In addition, we launched the online travel exhibition “THSR Fun Travel in 8 ways” with eight types of discounts during the Safe Travel period launched by the Tourism Bureau and the Taipei International Travel Fair. The thoughtful travel products satisfy passengers’ different needs. During the travel fair, this product was sold to a total of 48,000 passengers, and the target achieving rate was 147%.

In addition to continuing to meet citizens’ local travel needs, THSRC actively develops its business in the international market. International travelers can purchase “Taiwan High Speed Rail Pass” on THSRC’s corporate website, or purchase “One Way Ticket” through Overseas travel agencies to flexibly arrange their travel itineraries. For detailed information on the product types and usage methods, please refer to THSRC’s website. [Affected](#) by COVID-19, international tourism has slowed down, but THSRC is still enhancing its collaboration with the Tourism Bureau. In the future, we will roll out exclusive discounts for specific countries/regions to attract overseas tourists.

With extensive experience in the tourism industry and sensitivity to market preferences and trends, the number of travelers taking THSR reached 2.546 million in 2020, of which 2.145 million passengers accessed our services in the second half of the year, effectively driving the boom in national travel. In addition, to appreciate our customers for their continuous support since the operation of THSRC in 2007,

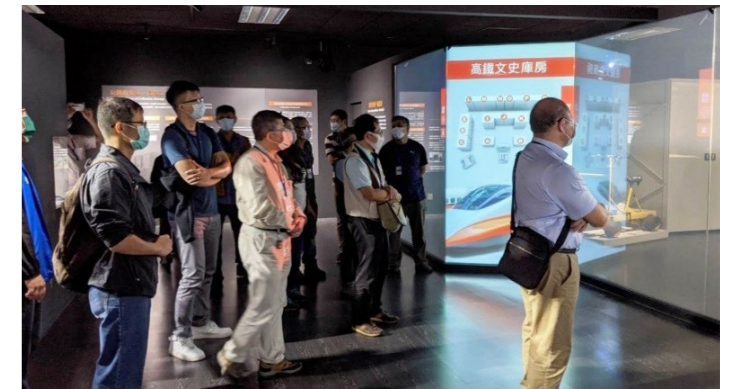
we organized the “THSR Transported 600 million people” event in January 2020 to celebrate THSRC’s total cumulative traffic volume reached the 600 million mark. Behind every ticket is every customer’s trust and support of THSRC. In the future, we will strive to continue to provide safe and high-quality travel services in line with passengers’ needs to enable THSR trains to continue to move forward stably on this land so as to create more beautiful interactions and experiences.

Industry Exchange

To respond to industry trends and take into account business needs, THSRC maintains a close partnership with the transportation and rail businesses and enhances positive interaction through technical visits, international observation and learning events, and local industry-academia collaboration to jointly promote the development and progress of the rail industry. In 2020, THSRC also participated in 20 industry associations as a member (see Table 1 in the Appendices). [for](#)

Technical Visitations

In order for representatives from the industry, the government, and the academia, as well as transport operators from all over the world to learn about the highlights of THSRC’s operations, services, and innovations, we have organized visits and guided tours at various locations, including HSR stations, maintenance depots, the Operational Control Center (OCC) building, and THSR Museum. In 2020, due to the impact of COVID-19, the number of representative visiting groups decreased as compared to previous years. There were nine groups in total, with 280 visitors. The visiting groups included Japan Shinkansen Engineering Company and the Northern District Head Office, Taiwan Area Freeway Construction Bureau (NDHO).



↑ Representatives during exchanges and visits in 2020

高鐵+小琉球線
四季陽光燦爛 驚艷豐富海洋生態

2020 線上旅展
高鐵趣玩 8
8大主題限時搶購, 立即出發同樂吧!

台灣高鐵
美好台灣 好久不見
加入台灣高鐵「美好再一起」專案, 快快出發暢遊去!

高鐵假期 輕鬆暢遊 好久不見

買一送一專案
• 買指定行程, 送千元抵用券
• TGo會員再享最高3倍點數
出發時間: 06/01-08/31

暑期親子專案
• TGo會員再享最高3倍點數
出發時間: 06/16-08/31

指定行程, 買一送一

台北濱江大飯店 2日自由行 \$1,250/人起	台北陽光士林凱柏旅館 2日自由行 \$1,350/人起	捷絲旅台北西門 2日自由行 \$1,250/人起
-----------------------------	--------------------------------	-----------------------------

六億搭乘 事加乘
歡慶高鐵 總旅運破六億人次!
免費贈送海空箱 超級幸運兒一年聯誼會

1	3	4
2		

1. Promotion of the THSR+Bus/MRT Combo Ticket “Xiaoliuqiu Journey with THSR” Program
2. Promotional Photo of 2020 Taipei International Travel Fair (online) “THSR Fun Travel in 8 ways”
3. Publicity of “See you again” under the National Tourism Revitalization Project
4. Photo of the celebration event of “THSR Transported 600 million people”

International Observation and Learning Events

Since 2013, THSRC has been collaborating with Japan's Kyushu Railway Company to organize the "Train Attendant Job Observation and Experience Exchange Program" to promote better travel services through learning passenger service skills through cultural exchanges with companies in the same industry. In 2020, due to the impact of COVID-19, this program was suspended. In the future, THSRC will resume this program as soon as possible so as to continue to maintain positive railway cultural exchanges with Kyushu Railway Company through experience sharing and interactive discussions. In addition, since THSRC joined the International Union of Railways in 2009 as a member, it has held seminars to exchange experiences with railway systems or operating organizations around the world. THSRC also continued to participate in the organization's railway emission reduction targets, published on the Non-State Actor Zone for Climate Action (NAZCA) under the United Nations Framework Convention on Climate Change (UNFCCC), to contribute to the joint response to the sustainability issues of international low-carbon railway transportation.

Local Industry-Academia Collaboration

To help students explore careers, cultivate talents in the railway industry, and facilitate industry-academia exchanges, we actively implement a number of collaborative programs with domestic colleges and universities, such as the college student summer internship experience program, academic year internship program, railway equipment laboratory, and memorandum of industry-academia cooperation. Our efforts in the industry-academia collaboration have earned us the first prize of "Excellent Unit in Industry-Academia Collaboration" from the Chinese Institute of Engineers, and we were, thus, received by the President. Except for the 2020 summer internship experience program for college students and the summer maintenance intern program, which were suspended due to the impact of COVID-19, the implementation of other programs is explained below:

Academic Year Internship Program

In 2020, THSRC collaborated with National Kaohsiung University of Hospitality and Tourism, Overseas Chinese University, China University of Science and Technology, Vanung University, Shu-Te University, Wenzao Ursuline University of Languages, and Chang Jung Christian University to provide one-year station attendant and train attendant internships to fourth-year college students. A total of 59 station attendant interns and 9 train attendant interns were accepted into the program in 2020.

Railway Equipment Laboratory

Both THSRC and National Kaohsiung University of Science and Technology are members of the "Railway Technical Talent Development Strategic Alliance." To enhance domestic railway technology and advance industry-academia collaboration capabilities, both parties jointly launched the Railway Equipment Laboratory in 2015 and have developed more than 31 systems and four exclusive instruments. The laboratory equipment inspection procedures are expected to be certified by the Taiwan Accreditation Foundation in June 2021 in line with the school's planned schedule. In 2020, THSRC continued to send personnel to assist with field trips and workshops under the "HSR System Practice" to endeavor to link the national industrial development and talent cultivation.

→ Field trip and workshop under the "HSR System Practice" program — visiting the main train car workshop



Memorandum of Industry-Academia Cooperation

THSRC has signed a memorandum of cooperation with numerous universities in Taiwan and deepened and enhanced technologies through exchanges, project collaboration, and seminars. In response to problems, such as the aging of transportation equipment or original parts that are out of production, THSRC engages in industry-academia collaboration to develop domestic products to build the capabilities of independent maintenance and repair. In addition, THSRC and schools have launched the maintenance internship program to cultivate repair and maintenance talents for the industry, and a certain percentage of students, after participating in the program, have become our full-time employees after graduation. This has created a positive effect on our internal talent recruitment. The details of the Memorandum of Industry-Academia Cooperation in 2020 are as follows:

↓ 2020 Graduation Ceremony of the Maintenance Internship Program



National Kaohsiung University of Science and Technology	THSRC has collaborated with the university in a total of 37 projects related to turnouts, rolling stocks, rails, electric power, overhead contact systems, etc. In addition, THSRC has worked with the university to run the THSRC maintenance internship program and to jointly establish the Railway Equipment Laboratory
National Taipei University of Technology	THSRC has collaborated with the university on a total of six projects related to engineering cars, switches, and electric power equipment maintenance management. In addition, THSRC has worked with the university to run the THSRC maintenance internship program
National Cheng Kung University	THSRC has collaborated with the university on a total of four projects related to station scheduling, rails, switches, and overhead contact systems. In addition, THSRC worked with the university to run the THSRC maintenance internship program
National Tsing Hua University	THSRC has collaborated with the university on a total of two projects related to the development of switch maintenance management system and aging analysis of overhead contact polymer insulators


Partner Relationship Management and Local Supply

Supply Chain Management

To strengthen the sustainable partnership with suppliers, THSRC's supply chain management policy  covers the social, economic, and environmental requirements, and we have developed a complete and sound perfect supplier management system by means of a review, management, and training mechanism through continuous communication with supply chain partners. In addition, localized supply chain is a goal to which THSRC attaches great importance in recent years as purchasing localized materials and developing local suppliers can not only enhance our financial benefits but also help Taiwan's rail industry to develop a capability to manufacture high-speed rail supplies and components in line with the international standards.

Supply Chain Communication and Requirements

In 2020, Taiwan High Speed Rail has formed partnerships with 558 property (mainly equipment parts and goods sold on trains) and 239 service suppliers. To ensure the fairness of the operating process and improve suppliers' competitiveness, THSRC will comprehensively evaluate each supplier's performance based on the contract management manual and guidelines before signing a contract. Those who fail to comply with the regulations will be placed on the watch list, and if they fail to make improvement prior to the deadline, THSRC may terminate current and future collaboration between both parties. Since August 2019, THSRC has required bidding suppliers to commit to THSRC's Corporate Social Responsibility regulations and sign the corporate social responsibility commitment. In addition, we regularly convene project task force meetings to review contracted suppliers' self-assessment forms and conduct on-site audits in the event of material or abnormal cases. As of the end of 2020, we had collected a total of 437 corporate social responsibility commitments and 46 corporate social responsibility commitment self-assessment forms, and a total of 714 announced procurement cases had met THSRC's anti-corruption regulations.

THSRC manages suppliers in accordance with the three aspects of society, economy, and environment. For relevant regulations and specific requirements, please refer to the details of supplier management on the website. 

Security Policy and Training

To provide customers as well as HSR station personnel and train crews with a high level of safe travel and work environment, THSRC commissions a professional security company to offer professional training for its security personnel, and THSRC has formulated security policies to regulate the scope of security personnel's duties, including maintaining order at stations and on trains, ensuring passenger safety, and maintaining safe train operations.

Since May 1, 2020, THSRC has invested more resources to bring in people with experience in military, police, or special operations, or with qualified martial arts licenses. After professional training, they will serve as the "Train-Elite Security Guard" for THSR trains to assist with patrols so as to strengthen and maintain passengers' safety. We also hold bi-monthly meetings with security companies to ensure that security personnel not only implement security policies while on duty but also comply with the THSRC's customer-oriented service spirit. Content of Training for THSRC's Security Personnel is as follows:

Security Personnel Training Content

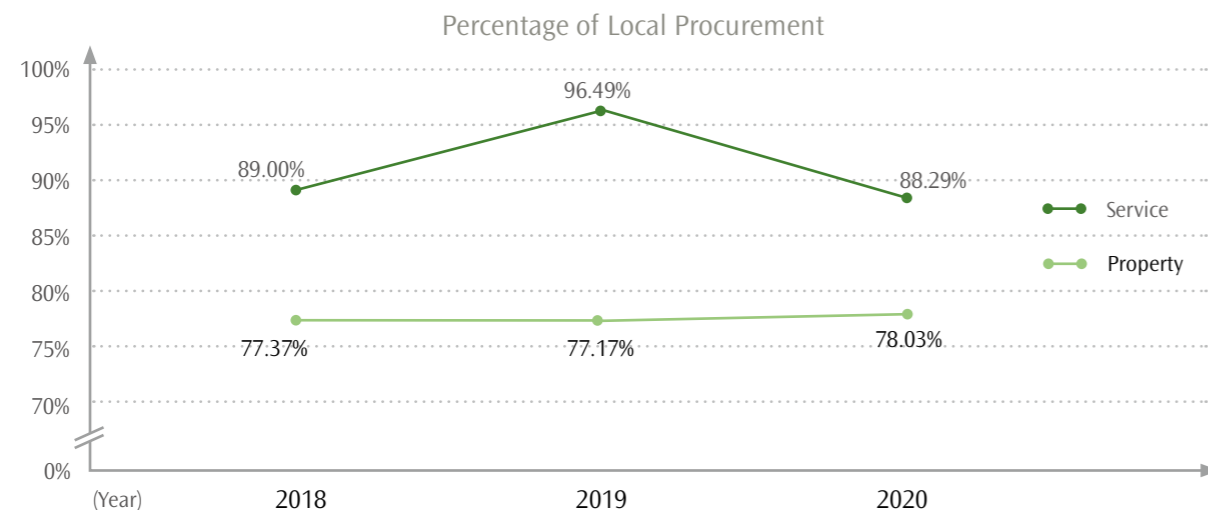


Localized Supply Chain

Local Procurement

THSRC actively responds to the railway industry localization policy, and is committed to "replacing outsourcing with localization" or "replacing self-manufacturing with contract manufacturing." To maintain the safety and quality of transportation, shorten the lead time of material preparation and delivery, and reduce procurement costs, THSRC focuses on the procurement of localized materials to reduce its dependence on international suppliers. Relevant suppliers can apply for international railway industry standard quality system certification based on their actual performance in collaboration to enable the domestic railway industry chain to enhance corporate image and technical capabilities.

THSRC also actively works with local suppliers in the procurement of labor services and properties. In 2020, the total amount of property procurement conducted by THSRC was approximately NT\$2.7 billion, where the amount of procurement from local suppliers accounted for 78.03% of the total amount. Meanwhile, the amount of labor service procurement in 2020 exceeded NT\$8 billion, of which 88.29% came from local service procurement.



Local Development

In order to build the local rail industry's independent technological capabilities and update abilities, THSRC actively visits suppliers to seek local alternative materials for development. In 2020, we visited local suppliers 461 times and completed 122 alternative material development cases. From 2011 to 2020, there have been a total of 117 alternative materials-developing manufacturers, with around NT\$2.61 billion saved.

THSRC not only looks for manufacturers/suppliers but has also been collaborating with government agencies and enterprises to jointly develop High Speed Rail-related equipment and systems in recent years so as to contribute its share to the development of localization of rail transportation, while facilitating the realization of the long-term goal of "Domestic Train Manufacturing Localization." Relevant local development collaboration projects are as follows:

- July 2019** THSRC worked with the Industrial Technology Research Institute to develop the "Bogie Running Tester" to enhance the efficiency of train maintenance and improve the reliability of bogie. As of 2020, THSRC had completed the core system design review, equipment substrate installation, and the main structure assembly. The operational testing is expected to be completed by the end of 2021.
- THSRC worked with Taiwan Rolling Stock Co., Ltd. to develop the "Diesel-Hydraulic Locomotive" to strengthen the ability to respond to train operation incidents. The design and development had been completed by the end of 2020, and it is in the stage of vehicle mechanical structure and control system manufacturing and will be delivered at the end of 2021.

July 2017 to April 2020

THSRC collaborated with the National Chung-Shan Institute of Science and Technology in developing the "Locally-made Train Waving Automatic Measurement System" to gradually replace Japanese-made portable waving measurement equipment and to effectively integrate the functions of different systems while improving its measurement effectiveness. Another outstanding collaborative achievement was the first locally developed "New High Speed Train Driving Simulator" in Taiwan which offers a wider variety of emergency response scenarios for drivers, so as to enhance their ability to respond to emergencies.

New High Speed Train Driving Simulator →



Since September 2018

It has collaborated with China Steel Corporation on the "Overhead Catenary System Maintenance Vehicle Localization" project to integrate equipment component specifications and suppliers, effectively reduce maintenance and inventory costs, and improve maintenance quality. In the future, 12 maintenance vehicles will be delivered in batches over the course of four years to phase out old maintenance vehicles gradually.

Local Businesses

To support local small- and medium-sized businesses and promote products made from local raw materials, THSRC helps local businesses to set up THSRC markets or local product pavilions with lower rents at Taoyuan Station, Hsinchu Station, Miaoli Station, Taichung Station, Changhua Station, Yunlin Station, Chiayi Station, Tainan Station, and Zuoying Station for passengers to purchase local products. In 2020, we were committed to creating employment opportunities for local small- and medium-sized businesses and supported 62 to 93 sales personnel and helped create a revenue of NT\$15 million for local businesses. ^(Note)

In 2020, to get through the tough times with businesses and alleviate the severe impact of COVID-19 on the domestic food & beverage and tourism industries, THSRC took the initiative to lower the storefront rents at various stations step by step, and the total amount of rents reduction from February to June 2020 was around NT\$100 million. This has demonstrated THSRC's determination to actively implement corporate social responsibility.



Note: In 2020, THSRC recruited a total of 31 local stores, and the figure was estimated based on 2 to 3 employees per store.



Touch

Sustainable Care

Touch | Sustainable Care

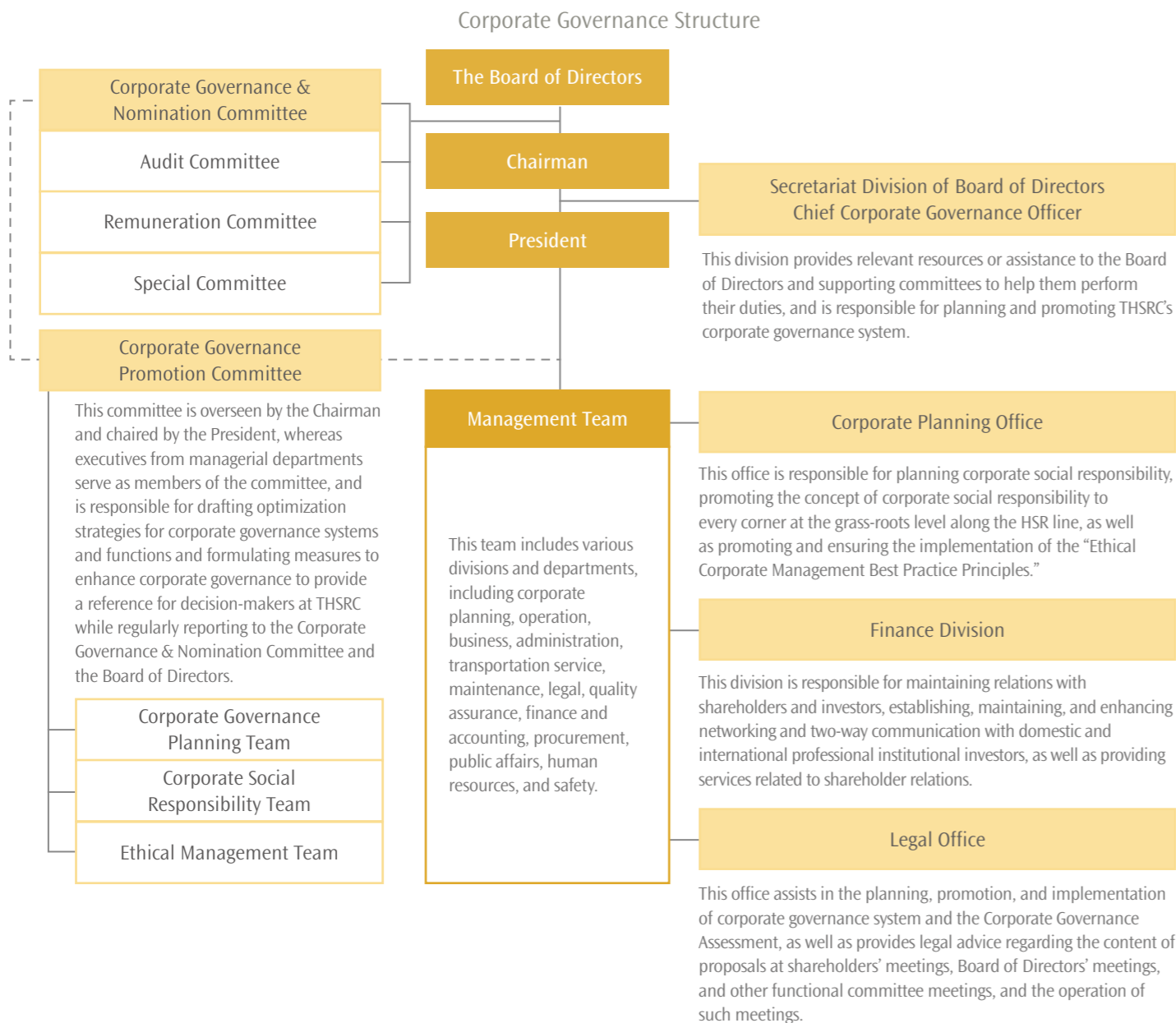
Subchapter Title	Material Topic	Management Purpose	Management Method	Assessment Mechanism	Management Performance in 2020
Sustainable Governance and Ethical Corporate Management	Corporate Governance	<ul style="list-style-type: none"> Enhance various corporate governance-related measures and legal compliance systems to ensure the sustainable operation of THSRC and reduce the risk of violation of laws and regulations. 	<ul style="list-style-type: none"> Establish the Corporate Governance Promotion Committee, which is overseen by the Chairman and chaired by the President, whereas executives from managerial departments serve as members of this committee. This committee regularly reports to the Board of Directors regarding the overall promotion and implementation of corporate governance at THSRC every year. 	<ul style="list-style-type: none"> Establish the “Regulation of Self-Evaluation of the Board of Directors,” and implement internal self-assessment of the Board of Directors at the end of each year in accordance with this regulation. In addition, conduct external assessment at least once every three years. Participate in the Corporate Governance Assessment organized by Taiwan Stock Exchange Corporation and also undergo external assessment. 	<ul style="list-style-type: none"> Regularly convene meetings for review and implementation based on internal and external assessment results to make continuous improvement. Ranked among the top 5% of public listed companies in the “TWSE Corporate Governance Evaluations” for three consecutive years while being rated “Outstanding” in the CG6012 (2019) Corporate Governance System Assessment conducted by the Taiwan Corporate Governance Association.
	Legal Compliance		<ul style="list-style-type: none"> Set up a compliance team in the Legal Office and formulate a legal compliance promotion plan. Regularly convene a legal compliance representative meeting every quarter and require the Legal Office to report on the status of compliance at THSRC to the Audit Committee and the Board of Directors every year. 	<ul style="list-style-type: none"> Require the Legal Office to formulate and review work plan items every year, as well as compile and manage penalty cases, and require penalized units to report the status of handling such cases and improvement measures during compliance meetings every quarter. Require units at all levels to assess regularly the compliance risks, internal control design, and implementation effectiveness of their units in accordance with the internal control system and self-assessment regulations. 	<ul style="list-style-type: none"> THSRC did not violate the laws and regulatory orders related to the “construction and operation of HSR,” “public companies,” and “environmental aspect.” There is a salary incident related to “economic and social aspects” in 2020. For relevant description and improvement measures, please refer to the subchapter “Legal Compliance.” ↗
Low-Carbon Train Operation and Environmental Sustainability	Climate change mitigation and adaptation	<ul style="list-style-type: none"> Enhance the ability of the transportation system to cope with climate change and implement energy conservation and carbon reduction measures to reduce the risks and hazards that may be caused by climate change to THSRC’s operations. 	<ul style="list-style-type: none"> In addition to establishing the Environment Management Committee, set up units mainly in charge of operational safety risks and environmental risks in accordance with THSRC’s risk management policy to identify and manage climate change risks that may affect THSRC’s operations, as well as promote relevant response mechanisms and measures. Promote greenhouse gas reduction policies or formulate emission reduction targets and identify relevant needs for rail transportation and station operations in line with the relevant policies set forth by government agencies, including the Ministry of Transportation and Communications (MOTC) and the Ministry of Economic Affairs (MOEA). 	<ul style="list-style-type: none"> The Environmental Management Committee regularly reviews the accomplishment of short-, medium-, and long-term environmental management goals and strategies, assesses the gap between the goals set and the current situation, and reviews related mechanisms and measures. 	<ul style="list-style-type: none"> Obtained the renewed carbon footprint label certificate and reduction label certificate for THSRC transportation services; obtained the ISO 14064-1 Verification Opinion Statement. Reduced the carbon emissions per passenger-kilometer by 11.181% (target value for 2020: 35.15g of CO₂ emissions per passenger-kilometer).
	Resource Management	<ul style="list-style-type: none"> Build a green life circle for low-carbon transportation while strengthening the management of water resources and waste to make substantive contributions to environmental protection. 	<ul style="list-style-type: none"> Regularly review and revise the water management policy through the “Energy Conservation Project Team” and comply with the “Water Pollution Prevention and Control Measures Plan” and the “Business Waste Clean-up Plan” to treat effluent and waste. 	<ul style="list-style-type: none"> Track the implementation of various water conservation measures through regular (quarterly) water conservation effectiveness review meetings. Track and check the process of waste based on the waste clean-up receipt and regularly file a report on the quantity of waste processed online; the storage facilities for business waste also comply with the relevant requirements of the Environmental Protection Agency’s Methods and Facilities Standards for the Storage, Clearance, and Disposal of Industrial Waste. 	<ul style="list-style-type: none"> The water consumption per passenger from HSR station services was reduced by 5.338% (the target value for 2020: 0.013 cubic meters per passenger served). The recycling rate of resources and waste was 43.3%, and there was no leakage of oil, fuel, chemical substances, or waste.
Nurturing Talent and Value Cultivation	Talent appointment and development	<ul style="list-style-type: none"> Recruit personnel in a timely manner based on business needs and manpower planning to ensure the knowledge, attitude, and skills of recruited employees to meet job requirements. 	<ul style="list-style-type: none"> Formulate management regulations and methods related to manpower management and training as the basis for planning for external recruitment and appointment, internal career development and promotion, and relevant training programs. 	<ul style="list-style-type: none"> Refer to management reports and convene training coordination meetings regularly to review the implementation results, such as evaluation of training plans, budgets, licenses, and relevant feedback, and to put forth improvement measures. 	<ul style="list-style-type: none"> Employees’ core competencies, management competencies and professional competencies training were all implemented as per the annual training plan. The average training hours per person in 2020 was 212.8.
Protection of Rights and Considerate Care	Employee care and labor protection	<ul style="list-style-type: none"> Create a healthy and friendly workplace by establishing multiple grievance channels, ensuring the physical and mental health of employees, and reducing workplace hazards, with a safe, equal, and high-quality work environment. 	<ul style="list-style-type: none"> Establish the “Mental Health Protection Regulation,” as well as conduct multi-faceted mental health talks or training courses for employees, regularly impart psychological health knowledge through electronic bulletin boards, or promote grievance and reporting mechanisms for employee mental health protection at various settings such as new employee training. Establish the “Sexual Harassment Prevention and Handling Regulation” (including grievance and reporting process), and enhance efforts to raise awareness toward the prevention of sexual harassment among employees in accordance with the Act of Gender Equality in Employment and by referencing the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace. Convene labor-management meetings regularly and discuss the Company’s various issues with the THSRC Labor Union monthly. Establish and implement the “Grievance Regulation” for employees to effectively implement management policies and maintain harmonious employee relations. Convene the “Occupational Safety and Health Committee” regularly to deliberate and make decisions on material occupational safety and health issues within the Company. Establish safety and health policies, and occupation disaster notification process, regularly convene occupation safety and health committee meetings, as well as conduct review of and decision-making on material occupational safety and health issues in the Company. 	<ul style="list-style-type: none"> Regularly inspect grievance and reporting mechanisms for employee protection, as well as feedback on mental health talks and training courses, to understand employee needs and develop relevant plans based on these needs. Set quantifiable and trackable safety management indicators for employees and contracted suppliers and adopt regular or random inspections and audit mechanisms to implement internal safety management mechanisms. We have also established a complete notification system in order to effectively cope with and reduce negative impacts during occupational disasters. 	<ul style="list-style-type: none"> A total of 443 employees participated in the psychological health lectures and training courses, and a total of 136 employee care sessions were organized. There were 10 occupational accidents in the workplace, with the frequency-severity indicator of 0.12; five traffic accidents outside of the workplace, with the frequency-severity indicator of 0.03. The occupational injury days was 157 days, and no occupational disease occurred.

Sustainable Governance and Ethical Corporate Management

Corporate Governance Structure

Well thought-out corporate governance is the cornerstone of sustainable business operations. THSRC complies with domestic regulations and refers to international benchmarks to formulate the “Guidelines for Corporate Governance,” [☞](#) and has established the Board of Directors and various functional committees under it while amending relevant regulations, [☞](#) with the aim of continuing to optimize THSRC’s governance effectiveness through various management mechanisms. In addition, THSRC has approved the appointment of a Chief Corporate Governance Officer as resolved by the Board of Directors. This position is served by a person who is a licensed attorney and has at least three years of experience working as a manager at a unit related to legal affairs, stock affairs, and corporate governance in public companies. For details regarding other related operations, please refer to the section titled “Corporate Governance Structure” on THSRC’s corporate website. [☞](#)

Since listed on Taiwan Stock Exchange, THSRC has ranked among the top 5% of public listed companies in the TWSE Corporate Governance Assessment for three consecutive years, demonstrating THSRC’s determination and efforts to promote excellent corporate governance systems and measures. In the future, THSRC will continue to leverage its strengths in the corporate governance structure to facilitate communication with stakeholders. For other details regarding corporate governance, please refer to THSRC’s annual reports, [☞](#) THSRC’s corporate website, [☞](#) and the Market Observation Post System (MOPS). [☞](#)



Responsibilities of the Board of Directors and Information on Board Members

The THSRC’s Board of Directors is responsible for reviewing important regulations, business plans, budget, financial statements, and important business while supervising the execution of the duties by the management. The ninth term of directors was elected at the Annual General Meeting on May 21, 2020 and took office on the same day. The term of office is three years, ending on May 20, 2023. For information on the members of the Board of Directors, please refer to Appendix Table 2. [☞](#) For other related information, please refer to THSRC’s annual report. [☞](#)

Currently, there are 13 directors (including four independent directors) on the board. To improve the quality and professionalism of board meetings, THSRC’s independent directors specialize in finance and accounting, law, industry knowledge, and operational judgment while directors possess professional capabilities, such as marketing, technology, business management, industry knowledge, and operational judgment. In the Board of Directors, male directors accounted for 77% (10 persons) and female ones accounted for 23% (3 persons); the age distribution was: 15% (2 persons) of the board was under 60 years old, 23% (3 persons) under 65 years old and over 60 years old, and 62% (8 persons) over 65 years old.

Per the provisions of the THSRC’s Guidelines for Corporate Governance, the Board of Directors shall meet at least once every two months. A total of 14 meetings were conducted in 2020 to resolve decisions regarding the economic, environmental, and social issues discussed by the functional committees. For details of issues discussed, please refer to the table in the “Functional Committee” section. For details of directors’ attendance, please read page 61-63 of the annual report. [☞](#)

Functional Committees

Functional committees have been set up under the Board of Directors, including Corporate Governance and Nomination, Audit, Remuneration, and Special Committees, to discuss issues related to economic, environmental, and social aspects. Please refer to the table below for the description of each functional committee’s responsibilities and the issues discussed in 2020. For details of operations, please refer to “Operations of Functional Committees.” [☞](#)

Some Issues discussed in 2020

Economy Environment Society

		Economy	Environment	Society	
Corporate Governance & Nomination Committee	1. Review the professional knowledge, techniques, and experience required by independent directors, non-independent directors, and managers, and their diverse backgrounds such as gender and independent criteria, in order to search for, assess, and nominate director and independent director candidates and manager candidates	• 2020 corporate governance system, corporate social responsibility (including environmental and social aspects), report on the operation of ethical corporate management and implementation status, and report on corporate governance status	✓	✓	✓
	2. Verify the qualifications of independent directors and the composition of the Board of Directors and committees	• Report on the review of THSRC's information disclosure system	✓		
	3. Responsible for the nomination of directors, as well as the planning and assessment of potential director candidates	• Report on the results of self-evaluation of the Board of Directors' performance	✓		
	4. Review the performance of duties by all directors and supervisors, and the liability insurance for directors and managers	• Report on the self-assessment of the Corporate Governance Evaluation	✓		
	5. Responsible for the research and analysis, implementation, planning recommendations, and effectiveness review of corporate governance system, as well as corporate governance regulations	• Performance goal setting and evaluation result reporting for managers	✓		
	6. Review succession planning for directors and managers	• Amendment to the "Ethical Corporate Management Best Practice Principles" and formulation of the "Procedures for Ethical Corporate Management and Guidelines for Conduct" and the "Statement on Compliance with the Ethical Corporate Management Policy"	✓		
		• Succession mechanism for important levels of management	✓		
Audit Committee	1. Formulate or amend procedures for handling internal control systems and significant financial practices in accordance with the Securities and Exchange Act	• Report on the implementation of corporate governance	✓		✓
	2. Review matters involving directors' own interests	• Performance goal setting and evaluation result reporting for managers	✓		✓
	3. Review major asset and derivative trading, loaning of funds, and provision of endorsements or guarantees	• Report on the legal compliance system and its implementation	✓		
	4. Review public offering, issuance, or private placement of equity securities	• Amend the "Internal Control System" and the "General-Rules of Internal Control Self-assessments"	✓		
	5. Review annual and first quarter to third-quarter financial statements	• Perform self-assessment of internal control system results	✓		
	6. Assess company risk management policies, metrics, and compliance	• Establish the "Risk Management Regulation"	✓	✓	✓
		• Report on the implementation progress related to risk management, including environmental risk control	✓	✓	✓
		• Report on the implementation of information security governance and management	✓		
Remuneration Committee	1. Establish and regularly review policies, systems, standards, and structures of performance evaluation, salary and remuneration for directors and managers	• Proposal for salary adjustment	✓		
	2. Regularly assess and formulate salary and remuneration for directors and managers	• Report on the results of self-evaluation of the Board of Directors' performance	✓		
		• Suggestions on the distribution of employee and director compensation	✓		
		• Performance goal setting and evaluation result reporting for managers	✓		
		• Suggestions on subsidies and bonuses related to employee benefits			✓
Special Committee	1. Provide counsel and suggestions on major legal or contractual disputes and important institutional changes approved by the Board of Directors, and assist the Board of Directors in supervising functional managers to implement related decisions	• Report on localization and Original Equipment Manufacturer (OEM) business source development	✓		✓
	2. Supervise procurement proposals that shall be made to the Board of Directors by functional managers, in accordance with regulations	• Procurement of equipment and materials from local suppliers for domestic development and support	✓		✓
	3. Other duties as stipulated in the Articles of Incorporation, "Guidelines for Corporate Governance," or the resolutions of the Board of Directors	• Optimization and improvement of software and hardware facilities to maintain customer safety	✓		✓



Finances, integrity, anti-corruption, corporate governance, management, etc.



Energy conservation and carbon reduction, renewable energy generation devices, waste disposal, ecological conservation, etc.



Donations, public welfare activities, community communication, labor rights issues, employee education and benefits, customer safety and health, etc.

Corporate Governance Promotion Committee

Corporate governance, sustainable environment, social welfare, and information disclosure and communication are all closely related to the THSRC's sustainable strategy and operational goals. To this end, THSRC has established a "Corporate Governance Promotion Committee" to promote relevant issues through its corporate governance planning team, corporate social responsibility team, and ethical management team. The main issues discussed in 2020 covered the implementation status of human rights management, corporate governance, corporate social responsibility, ethical management, information security management and system, legal compliance, and risk management. Others included reports on investor relations enhancement plans, and strategic planning for material corporate governance matters. For more information on the responsibilities of the "Corporate Governance Promotion Committee" and its operations in 2020, please refer to "Corporate Governance Structure" on THSRC's corporate website.

Ethical Management and Anti-Corruption

To implement ethical management and transparent governance, and actively prevent unethical conduct or violations of internal regulations, THSRC has internally formulated relevant codes of conduct and strengthened the ability to combat corruption through relevant education and training to increase all employees' awareness of anti-corruption. The relevant guidelines are as follows:

<p>"Ethical Corporate Management Best Practice Principles"</p> <p>Maintain fair business practices and establish a whistleblowing system to achieve mutual supervision.</p>	<p>"Code of Ethics Conduct"</p> <p>Enable stakeholders to learn about the ethical standards that THSRC personnel shall follow when performing their duties.</p>	<p>"Employee Code of Conduct"</p> <p>Specify the norms that internal employees and external partners must comply with and the whistleblowing process for violations of the guidelines.</p>
--	--	---

In addition, the number of participants and training hours regarding ethical management and anti-corruption training sessions held in 2020 are listed below:

<p>Anti-corruption policy communication and training</p> <p>A total of 9 board members participated in the training, accounting for 69% of all board members, with a total of 39 hours.</p>	<p>Anti-corruption policy promotion session</p> <p>The total number of new employees participating in the policy promotion sessions was 271, accounting for 5.8% of all employees.</p>	<p>Digital training courses on ethics, integrity, and insider trading prevention</p> <p>A total of 4,700 people participated in the digital training courses, accounting for 100% of all employees, with a total of 4,700 hours.</p>
---	---	--

Moreover, THSRC has set up the "Ethical Management Complaint Mechanism" and the "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior," which are handled by the Company's spokesperson and the Internal Audit Office, respectively. For details of complaint channels and contact information, please refer to THSRC's corporate website. In 2020, there were no material violations of the regulations with penalties imposed by the competent authority due to corruption, and there were no relevant complaints. This has demonstrated that THSRC is committed to internalizing ethical management in the employees' daily work. In the future, we will continue to uphold the highest standards of ethical management in our daily operations.

In addition to strengthening the corporate values of internal ethical management, we have formulated the "Principles of Handling Unusual Conduct Among Manufacturers," "Procurement Regulation," and relevant sub-laws to regulate suppliers' ethical conduct while indicating the anti-corruption policies and procedures in the bidding instructions to ensure a fair, just and open bidding process. In the case of violations, suppliers shall be required to make an explanation, and those with material violations may be blacklisted. In 2020, THSRC announced anti-corruption policies in a total of 714 procurement bidding cases. There were no cases of suppliers' violation of ethical management.

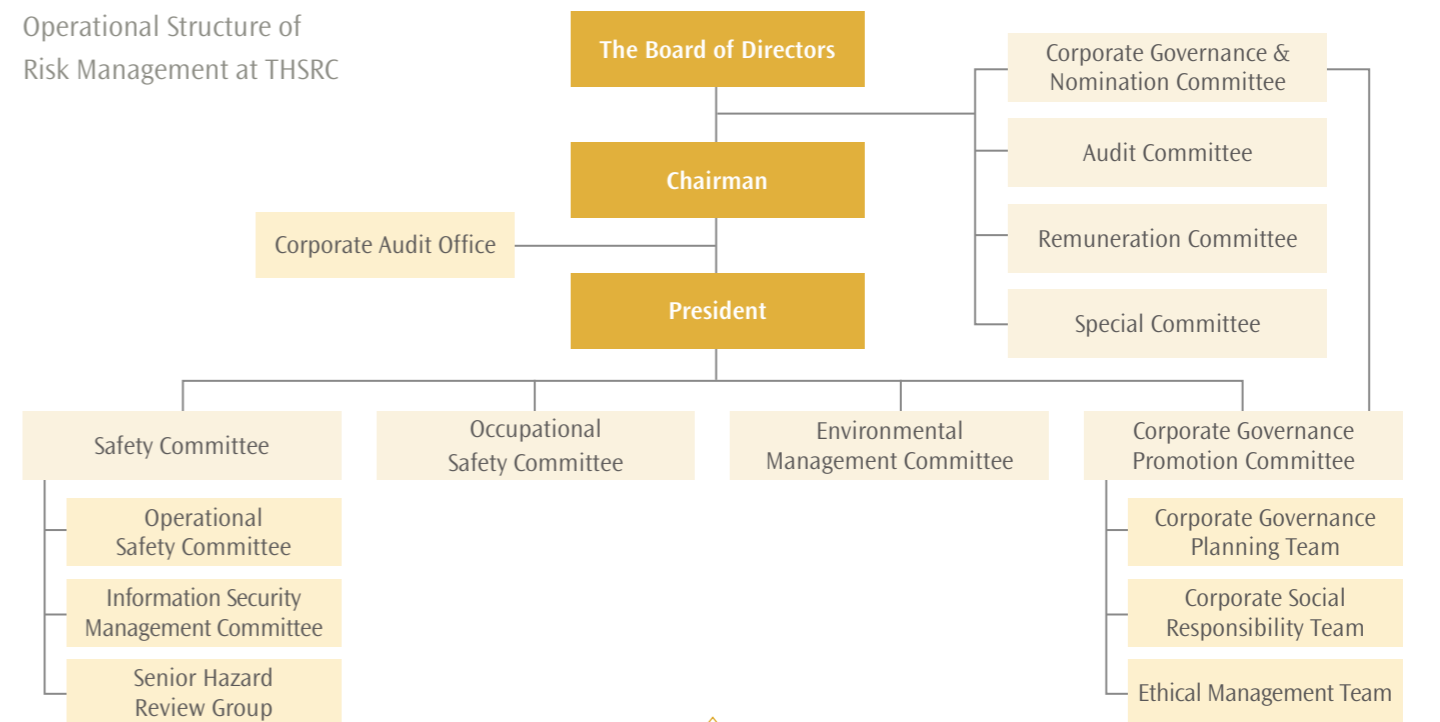
Sustainable Risk Management

The establishment of a risk management mechanism, covering environmental, social, and corporate governance aspects, is one of the successful factors for companies to pursue sustainable development. To this end, THSRC has brought together committees at all levels to establish a risk management operation structure and formulated the THSRC "Risk Management Policy." Based on the principle of materiality, four major risk categories, covering the environment, operational safety, information security, and finance, have been identified. The units in charge shall report on the operational status to the Board of Directors once a year to implement medium- and long-term risk strategy plans and goals from top to bottom through a comprehensive strategy and management mechanism, and to lay a solid foundation for the Company. For the meaning of major risk categories, relevant countermeasures, and key performance indicators, please refer to "Risk management response measures and actions."

Furthermore, to increase employees' risk awareness and consciousness, THSRC arranged internal and external risk-related courses as follows. In 2020, 383 personnel were trained, with a total of 1,245 hours.

<p>External courses</p> <p>Seminars on how to use failure mode and effects analysis (FMEA) to implement sound risk management, intellectual property risk management, and legal risks from related party transactions.</p>	<p>Internal courses</p> <p>Occupational safety and health hazard risk assessment, industrial control network security and risk management courses, information collection education and training, risk assessment and operational impact education and training, occupational safety and health hazard identification, risk assessment and risk control procedures, and etc.</p>
---	---

Operational Structure of Risk Management at THSRC



Major Risk Category	Environmental Risks	Information Security Risks	Operational and Occupational Safety Risks	Financial Risks
Responsible Unit	Operational Safety Office Facility Engineering Department	Information Division	Operational Safety Office Occupational Safety and Health Office Quality Assurance Office	Finance Division

We consider various aspects related to company operations, such as business environment, operations, finance, and hazardous events, as well as review the integrity of corporate risk management and the effectiveness of risk control to check and identify risks that may affect operations and profitability. The identification results, relevant countermeasures and actions, as well as key performance indicators of major risk categories, are listed as follow:

Topic	Major Risk Category	Risk Implications	Relevant Response Measures and Actions	Key Performance Indicators
Environment	Environmental Risks	Assess various environmental risk patterns that may cause regulatory amendments, system damage, regional power outages, water shortages, and etc., which will affect service quality and increase maintenance costs, such as the greenhouse effect, extreme climate events, earthquakes, land subsidence, new faults, and etc.	<ol style="list-style-type: none"> 1. Formulate environmental policies and conduct management in accordance with the environmental management manual; has passed the certification of the environmental management system ISO 14001 2. Identify climate change risks, forecast medium- and long-term climate change risks, formulate energy conservation plan and measures, and work with professional institutions to analyze and formulate adaptation strategies in response to climate change, in order to effectively reduce the operational impact of climate change on THSRC 3. Collaborate with professional institutions to establish an earthquake early warning system 4. Conduct assessment of land subsidence, new faults, flood control, and earthquake resistance capability, as well as study and plan for improvement needs 5. Adopt the Disaster Warning System to keep abreast of the status of environmental disasters, perform annual disaster prevention audits, and organize regular and random large drills 	Formulate indicators and goals related to environmental management, ecological conservation, waste management, energy management, water resource management, and greenhouse gas management (please refer to the table titled "Short-, Medium-, and Long-term Environmental Management Goals and Strategies" in the subchapter titled "Environmental Sustainability Strategies")
Society	Operational and Occupational Safety Risks	In the THSRC system, facility and equipment failure, human negligence, sabotage or other external factors may affect train safety, which in return harm employees, passengers, contractors, and the public or result in delay or interruptions in railway operations	<ol style="list-style-type: none"> 1. Formulate safety and health policy, corporate quality policy, and configuration management policy, as well as manage these policies in accordance with the Operation Safety Plan, the Occupational Safety and Health Management Manual, the Corporate Quality Manual, the High Speed Rail System Configuration Management Manual, the Corporate Reliability, Availability, Maintainability and Safety (RAMS) Manual, the Railway Operation Security Management Plan, and the Corporate Safety Assurance Plan 2. Establish the Operational Safety Committee and the Occupational Safety and Health Committee that meet regularly every quarter 3. Perform internal audit and safety inspections of railway operation safety, occupational safety, and health, quality management, configuration management, system assurance, and etc. 4. Conduct railway safety training, occupational safety and health training, hazard management training, and disaster prevention and rescue drills and training 	<ol style="list-style-type: none"> 1. Percentage of configuration monitored items [please refer to the subchapter titled "Quality Management System (QMS)"] 2. Four major quality performance indicators (please refer to the subchapter titled "Quality Management Review") 3. Inspection cycle and number of trainsets maintained (please refer to the subchapter titled "Station and Route Safety and Risk Management")
Governance	Information Security Risks	THSRC is Taiwan's key information infrastructure provider and is listed as an agency of cyber security responsibility Level A in Taiwan. Therefore, the confidentiality, integrity, availability, and legal compliance of the THSRC information system are the key risk considerations for our information security	<ol style="list-style-type: none"> 1. Formulate information security policy and computer software intellectual property protection policy, which are managed in accordance with the Information Security Management Manual 2. Establish the Information Security Management Committee, which convenes a review meeting every six months 3. Establish a management operation system in accordance with the ISO 27001 Information Security Management Standards 4. Implement internal audit, drill assessment, information security diagnosis, penetration test, defense in depth, education and training regarding information security in accordance with the requirements for agencies of cyber security responsibility Level A in Taiwan 	<ol style="list-style-type: none"> 1. Personal information inventory count 2. Number of related awareness programs and training sessions held and training completion rate 3. Review through regular meetings
	Financial Risks	Changes in the economic and financial situation at home and abroad will affect THSRC's revenue, maintenance and operation costs, interest rates, and exchange rates, thereby affecting THSRC's profit or loss and cash flow	<ol style="list-style-type: none"> 1. Comply with the relevant provisions of the "International Financial Reporting Standards (IFRS)," the "International Accounting Standards (IAS)," and government regulations 2. The competent authority conducts regular annual financial review 3. Managerial departments review budgets every month and report them to the Board of Directors every six months 4. Regularly produce quarterly and annual financial statements 5. The Board of Directors reviews important financial activities in accordance with relevant laws and regulations and internal control systems 	<ol style="list-style-type: none"> 1. Cumulative revenue 2. Net income after tax

To alleviate the potential financial impacts of declined revenue and increased work costs caused by various risk factors, THSRC has comprehensively planned for the operating asset insurance and business interruption insurance to cover various risk factors, such as natural disasters as well as man-made and equipment abnormalities.

Legal Compliance

To enhance the awareness and culture of compliance, THSRC has drafted relevant regulations and guidelines as per the laws of competent authorities, set out a compliance policy, and set short-, medium-, and long-term targets and management mechanisms. Each unit independently evaluates the compliance risks and the implementation effectiveness and submits the results to the Audit Committee and the Board of Directors for review to continuously improve and track compliance in a rolling manner. We also review applicable laws and regulations regularly on a quarterly basis, file cases to the competent authority for adjudication, and convene representative meetings on compliance to ensure that all members of THSRC comply with laws through both internal and external approaches.

To maintain a comprehensive compliance system, we include the implementation results of the legal compliance system into our internal control system for self-assessment every year, where each unit assesses compliance risks. In 2020, the average risk level evaluated by each unit was medium to high, and implementation effectiveness at each unit was highly effective. Meanwhile, the results were examined by supervisors at each unit in accordance with our internal control review mechanism. Upon verification by the Internal Audit Office, the results were submitted to the Audit Committee and the Board of Directors for further review in February 2021.

The status of compliance at THSRC in 2020 is described as follows:

Important laws and regulations related to the construction and operation of THSRC

In 2020, there were no violations of the following important laws and regulations, including the Railway Act and sub-laws thereof, the Statute for Encouragement of Private Participation in Transportation Infrastructure Projects, the Act for Promotion of Private Participation in Infrastructure Projects, and the Fair Trade Act.

Important laws and regulations related to public companies

In 2020, there were no violations of the following important regulations and regulations, including the Company Act, the Securities and Exchange Act, the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the Regulations Governing Establishment of Internal Control Systems by Public Companies, and other laws and regulations related to corporate governance, such as ethical management and information disclosure.

Important laws and regulations related to economic and social aspects

Including the Income Tax Act, the Statute for Industrial Innovation, the Fire Services Act, and Consumer Protection Act, THSRC has paid fines for one penalty/punishment case, and completed improvements to the violation, and enhanced relevant management measures. However, the case did not have a material impact on THSRC's overall operations:

- As a unit supervisor failed to pay attention to the application period for overtime pay due to negligence, THSRC failed to pay employees overtime pay for work on weekends and national holidays as scheduled, thus violating the provisions of Article 24, paragraph 2 and Article 39 of the Labor Standards Act, and was imposed with a fine of NT\$120,000 by the Department of Labor, Taipei City Government. THSRC actively responded and reminded the supervisors of various units to manage the overtime payment application process through the system, and increased the awareness of such incident in the quarterly compliance meeting to enhance compliance among employees so as to prevent similar man-made errors from recurring.

Laws and regulations related to the environmental aspect

In 2020, there were no violations of important laws and regulations related to the Building Act, the Environmental Impact Assessment Act, the Soil and Water Conservation Act, the Water Pollution Control Act, the Air Pollution Control Act, the Noise Control Act, and the Waste Disposal Act.

In 2020, THSRC was not involved in any non-compliance events, such as penalties, resulted from the violation of regulations related to marketing and labeling of products and services.

Low-Carbon Train Operation and Environmental Sustainability

Climate Change Adaptation

To strengthen the weather resistance of THSR's trains, we have incorporated relevant protection and monitoring devices into the overall design in accordance with domestic and international regulations and set up a dedicated unit to be responsible for the governance of risks and opportunities related to climate change (for details, refer to the subchapter titled "Sustainable Risk Management") and for specific short-, medium-, and long-term strategies and goals (for details, refer to the subchapter titled "Environmental Sustainability Strategies") to prevent and manage operational shocks arising from extreme weather events. In 2020, there were no damages caused by climate change events to civil structures along the HSR line.

THSRC's Climate Change Adaptation Measures (2018-2022)

	<p>Establishment of early warning systems for slope safety ^(Note)</p> <p>Continue to invest in slope safety management and risk prevention through the early warning systems for slope safety based on rainfall intensity. As of October 2020, the relevant rainstorm analysis and early warning systems had been completed.</p>
	<p>Strengthen protection of slopes at tunnel entrances</p> <p>Strengthen the inspection and protection of the slopes of the THSR tunnel entrances in the Hsinchu and Miaoli sections, given the increasing frequency of extreme rainstorms in the future, and engaged in the preventive maintenance work of the slopes around two tunnel entrances (the slopes of the north and south entrances of the Hsinchu Baoshan Yijia Tunnel) in September 2020.</p>
	<p>Risk assessment and protection designs for scoured cross-river bridges</p> <p>THSRC conducts risk assessment and protection of scoured cross-river bridges every year to ensure THSR facility and operational safety. In 2020, the expenses in this regard exceeded NT\$4.4 million.</p>

Note: The section of the main HSR line from Taipei to Changhua is divided into 389 units of slopes. Per the severity of the impact on operational safety, it is divided into four levels: A, B, C, and D (level A with the highest risk while level D the lowest one). THSRC conducts slope inspections from November to April each year to facilitate follow-up improvements if necessary. Per the result of the risk assessment in May 2020, there were 48 level C slopes and 341 level D slopes, there were no levels A and B slopes.

THSRC actively collaborates with government agencies to improve the completeness and efficiency of both parties' implementation of climate change-related measures in addition to strengthening internal climate risk response capabilities. The relevant collaboration methods and description are as follows:

- Since the "Memorandum of Cooperation on Cross-border Disaster Prevention" was signed with the Central Weather Bureau, Ministry of Transportation and Communications (MOTC) in 2016, both parties have continued to exchange meteorological, seismic, and geological data to improve the meteorological interpretation capabilities, and such data has served as the basis for traffic dispersion decisions during normal days and disasters, and an important reference for the assessment of track safety.
- We also actively cooperate with the "Adaptation Strategy to Climate Change in Taiwan" and continue to assist the Institute of Transportation, MOTC, in conducting research related to climate change adaptation, and strengthen the vulnerability and risk analytical functions of the railway and highway climate change adaptation information platform. THSRC's climate change adaptation action plan was included in the "National Climate Change Adaptation Action Plan (2018-2022)" by the Environmental Protection Agency of the Executive Yuan, in 2019. In 2020, we continued to assist in the rolling update of the transportation system adaptation strategy through interviews.
- THSRC set climate change scenarios and analyzed the recurrence period for climate change with different frequencies based on the "Research of Climate Change Adaptation Action Plan of Railway and Highway Systems" conducted by the Institute of Transportation, MOTC, and "Taiwan Climate Change Projection and Information Platform" executed by the "National Science and Technology Center for Disaster Reduction (NCDR)" to develop a climate risk map and to examine climate adaptation gaps.

- We also referred to the relevant climate change adaptation research conducted by the Institute of Transportation, MOTC, and identified the hotspots with high vulnerability in the THSRC system, and applied the existing monitoring and management mechanisms to continuously monitor, manage, and optimize the mechanism to keep abreast of the potential impact of climate change and respond accordingly.

Environmental Sustainability Strategies

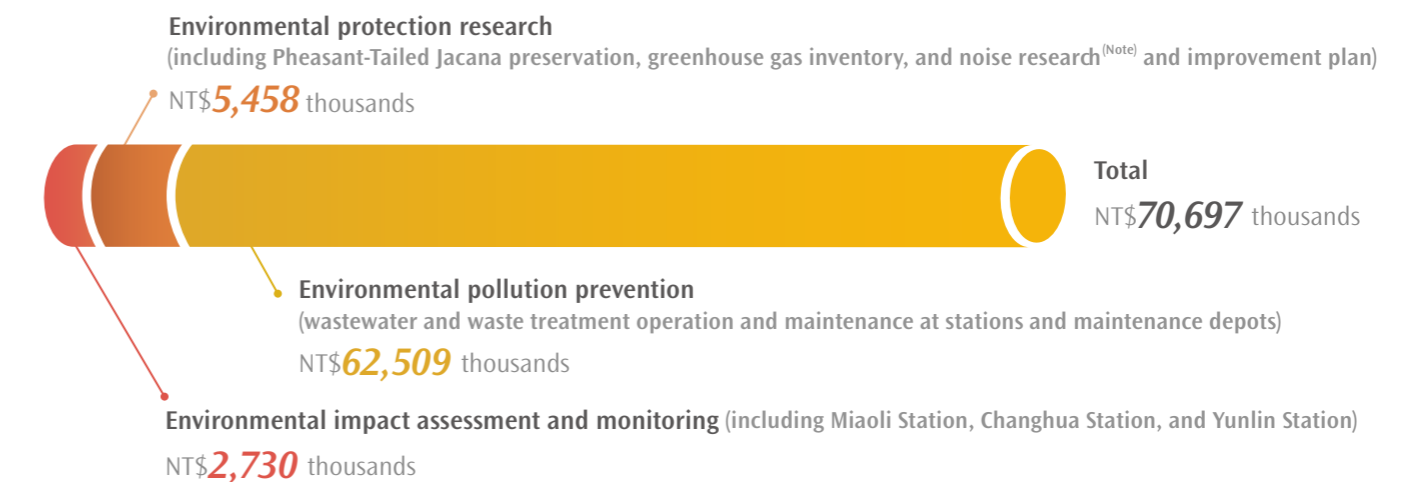
To implement THSRC's overall environmental protection work, we have set up an "Environmental Management Committee" to supervise the setting and implementation of internal environmental targets. In 2020, we conducted a total of five audits on environmental quality management at depots and HSR stations, and held an environmental management work meeting quarterly, to track each unit's compliance with environmental laws and regulations and the target achieving status while referring to the audit results of government agencies so as to continue to optimize relevant measures to reduce the impact on the environment.

In 2020, THSRC passed the ISO 14001 environmental management system certification to become the first company in the rail service industry in the country to have passed this certification. We will continue to put into practice the concept of environmental protection that has been at the core of our business since the establishment of the Company.

Operation and Responsibilities of Environmental Management Organizations



Environmental Protection Expenditure in 2020









Note: Please refer to the subchapter titled "Sustainability Commitment" subsection under the Chapter of "Transportation" for relevant information on noise control.

THSRC has formulated short-, medium-, and long-term environmental management goals and strategies based on the triple-win principles of “safety and comfort, environmental protection, as well as carbon reduction and energy conservation” as follows:

Period		Target	Environmental Management Strategy	Achievements in 2020
Short-Term (till 2020)	 Environmental management	<ul style="list-style-type: none"> Comply with environmental protection and environment impact assessment regulatory requirements Conduct training for environmental protection personnel Environmental management system passed ISO 14001 certification 	<ul style="list-style-type: none"> Implement environmental management, environmental monitoring, and environmental protection in compliance with the relevant laws and regulations Conduct environmental protection training for environmental management representatives and related personnel at each unit, and strengthen their familiarity with environmental protection regulations and related execution capabilities Undertake the ISO 14001 certification process and establish an environmental management system that complies with international standards through performance assessment, management review, external audit, and continuous improvements 	<ul style="list-style-type: none"> There were no cases of violation of environmental protection and the Environmental Impact Assessment Act in 2020 Organized five sessions of education and training with six hours each Passed ISO 14001 verification and obtained a certificate Extended the carbon footprint certificate and awarded the emissions reduction certificate All HSR stations have completed the greenhouse gas emissions inventory and obtained the ISO 14064-1 Verification Opinion Statement Continued to sponsor the Pheasant-Tailed Jacana Ecological Education Park and invested more than NT\$1 million in 2020 Continued to create awareness of the concept of circular supply and resource recycling, promote waste reduction at the source, and strengthen waste sorting and recycling
	 Greenhouse gas management	<ul style="list-style-type: none"> Extend the validity period of the High Speed Rail Transportation Service Carbon Footprint Successfully obtain the ISO 14064-1 Verification Opinion Statement for greenhouse gas emissions at HSR stations in 2020 	<ul style="list-style-type: none"> Conduct THSRC transportation service and product carbon footprint inventory and verification Conduct greenhouse gas inventory audit and external verification at HSR stations in 2020 	
	 Ecological conservation	<ul style="list-style-type: none"> Carry out Pheasant-Tailed Jacana preservation work in Guantian, Tainan 	<ul style="list-style-type: none"> Continue to sponsor the Pheasant-Tailed Jacana Ecological Education Park 	
	 Waste management	<ul style="list-style-type: none"> Strengthen waste reduction, implement waste sorting, and actively recycle resources and waste 	<ul style="list-style-type: none"> Create awareness of the concept of circular supply and resource recycling, promote waste reduction at the source, and strengthen waste sorting and recycling 	
Medium-Term (till 2023)	 Energy management	<ul style="list-style-type: none"> Promote energy conservation and carbon reduction measures at stations and maintenance depots, and set the annual electricity saving rate at greater than 0.86% as our energy conservation target using the average electricity consumption per passenger at stations [excluding public areas with Taiwan Railways Administration (TRA)] and depots as an indicator 	<ul style="list-style-type: none"> Continue to promote the four major energy conservation solutions, including “autonomous energy conservation management, reduce electricity consumption, transfer peak electricity usage, and use electricity reasonably” 	
	 Water resources management	<ul style="list-style-type: none"> Strengthen water conservation measures at stations and maintenance depots, and set the annual water-saving rate at greater than 3.42% as our water conservation target using the average water consumption per passenger as an indicator 	<ul style="list-style-type: none"> Conserve water, reduce the use of water, as well as recycle and reuse water 	
	 Greenhouse gas management	<ul style="list-style-type: none"> Set the annual carbon reduction rate at greater than 1.5% as our carbon emission target using the amount of carbon dioxide emission per passenger-kilometer as an indicator 	<ul style="list-style-type: none"> Implement energy conservation measures, continue to increase passenger volume, and reduce the amount of carbon emission per passenger-kilometer 	
	 Environmental management	<ul style="list-style-type: none"> Implement the environmental management system and pass the ISO 14001 certification process again Conduct environmental education and training for employees 	<ul style="list-style-type: none"> Continue to formulate and implement management goals, check the results, and make improvements through the environmental management system Conduct environmental education and training to enhance general employees' sense of responsibility toward environmental protection and deepen the concept of sustainable development of the environment 	
	 Waste management	<ul style="list-style-type: none"> Strengthen waste reduction, implement waste sorting, and actively recycle resources and waste 	<ul style="list-style-type: none"> Continue to create awareness of the concept of circular supply and resource recycling, promote waste reduction at the source, and strengthen waste sorting and recycling 	
Long-Term (till 2026)	 Greenhouse gas Management	<ul style="list-style-type: none"> Conduct company-wide greenhouse gas inventory audit and verification 	<ul style="list-style-type: none"> Establish THSRC's “Greenhouse Gas Inventory List” to conduct total emission inventory audit and verification and emission reduction measures and priorities 	
	 Environmental management	<ul style="list-style-type: none"> Implement ISO 50001 energy management system verification 	<ul style="list-style-type: none"> Establish the ISO 50001 Energy Management Systems to enhance energy management 	
	 Waste management	<ul style="list-style-type: none"> Strengthen waste reduction, implement waste sorting, and actively recycle resources and waste 	<ul style="list-style-type: none"> Continue to create awareness of the concept of circular supply and resource recycling, promote waste reduction at the source, and strengthen waste sorting and recycling 	

Energy Conservation and Carbon Reduction for Energy Management

To systematically manage energy efficiency and promote energy conservation measures at HSR stations and maintenance depots, THSRC has established an “Energy Conservation Project Team,” which convenes “Energy Conservation Meetings” every quarter regularly to track the implementation of such measures and to review the quarterly electricity consumption. The important performance of THSRC in 2020 in energy, water resources, and greenhouse gas management is shown in the table below. Due to the impact of Coronavirus disease 2019 (hereinafter referred to as the COVID-19), THSRC’s traffic intensity decreased during the year. The number of trips and passenger-kilometers also decreased by 15.09% and 17.36% as compared with those in 2019, resulting in an increase in various environmental management indicators. However, we were still committed to fulfilling our environmental commitments through various energy conservation and carbon reduction measures. The relevant measures will be described separately in the subchapters below.

	Indicator/Target	Performance item	2018	2019	2020
 Energy Management (Note 1)	Annual average electricity conservation rate per passenger served (Note 2)  >0.86%	Total electricity consumption (tens MWh)	9,970.198	9,890.733	9,616.699
		Average electricity consumption per passenger served (kWh)	1.559	1.467	1.680
		Electricity savings (MJ)	20,011.766	2,860.740	9,865.251
		Electricity conservation rate (%)	10.299%	5.901%	8.938%
 Water Resource Management (Note 1)	Annual average water conservation rate per passenger served (Note 3)  >3.42%	Total water consumption (cubic meter)	703,600	718,890	682,713
		Average water consumption per passenger served (cubic meter)	0.0110	0.0107	0.0119
		Water conservation rate (%)	-1.852%	2.727%	5.338%
 Greenhouse Gas Management (Note 1)	Annual average carbon reduction rate per passenger-kilometer (Note 4)  >1.5%	Total emissions (metric tons of CO ₂ e) (Notes 5, 6, and 7)	328,689.25	319,844.04	309,452.47
		Average carbon dioxide emissions per passenger-kilometer (g of CO ₂ e/passenger-kilometer)	28.436	26.666	31.220
		Carbon reduction rate (%)	7.864%	6.225%	11.181%

Note: 1. The calculations of power-saving rate, water-saving rate, and carbon reduction rate in 2018 and 2019 are conducted based on the previous year. However, due to the impact of COVID-19 on the passenger traffic in 2020, the base value was adjusted after approval. Thus the performance in 2020 was compared with the adjusted power-saving standard value (1.845 kWh per passenger served), water-saving standard value (0.013 cubic meters per passenger served), and carbon reduction standard value (35.15g of CO₂ emissions per passenger-kilometer). As for the power saving rate, water-saving rate, and carbon reduction rate, the “positive” value represents a decrease while the “negative” value represents an increase.

2. The scope of indicator and goal setting covers electricity consumption at HSR stations [including Taoyuan Operation Management Center (OMC) Building but excluding commercial areas/parking lots and electricity consumption in public areas shared with Taiwan Railways Administration (TRA) (at Nangang, Taipei, and Banqiao stations)] and depots. For performances related to THSR’s trains and THSRC’s headquarters, please refer to the subchapter titled “Building Low-Carbon Trains and Operations” [↗](#) and “Low Carbon Footprint with Green Transportation.” [↗](#)

3. The scope of indicator and goal setting covers water consumption at HSR stations [including Taoyuan OMC Building but commercial areas/parking lots and water consumption in public areas shared with TRA (at Nangang, Taipei, and Banqiao stations)] and depots.








4. The scope of indicator and goal setting covers electricity consumption and gasoline/diesel consumption in THSR trains, as well as at HSR stations [including electricity consumption in public areas shared with TRA (at Nangang, Taipei, and Banqiao stations) and Taoyuan OMC Building but excluding commercial areas/parking lots], depots, and THSRC’s headquarters office.

5. As the calculation of gasoline/diesel fuel consumption in 2019 was updated in 2020, the data was different from that in THSRC’s 2019 Corporate Social Responsibility (CSR) report.

6. As the calculation of the National Electric Power Emission Factor in 2020 was based on the data in 2019, the data was different from that in THSRC’s 2019 CSR report.

7. Emission factors for gasoline and diesel fuel were corresponding factors from Version 6.0.4 (June 2019) of the Greenhouse Gas Emission Factor Management Table published by the Environmental Protection Administration.

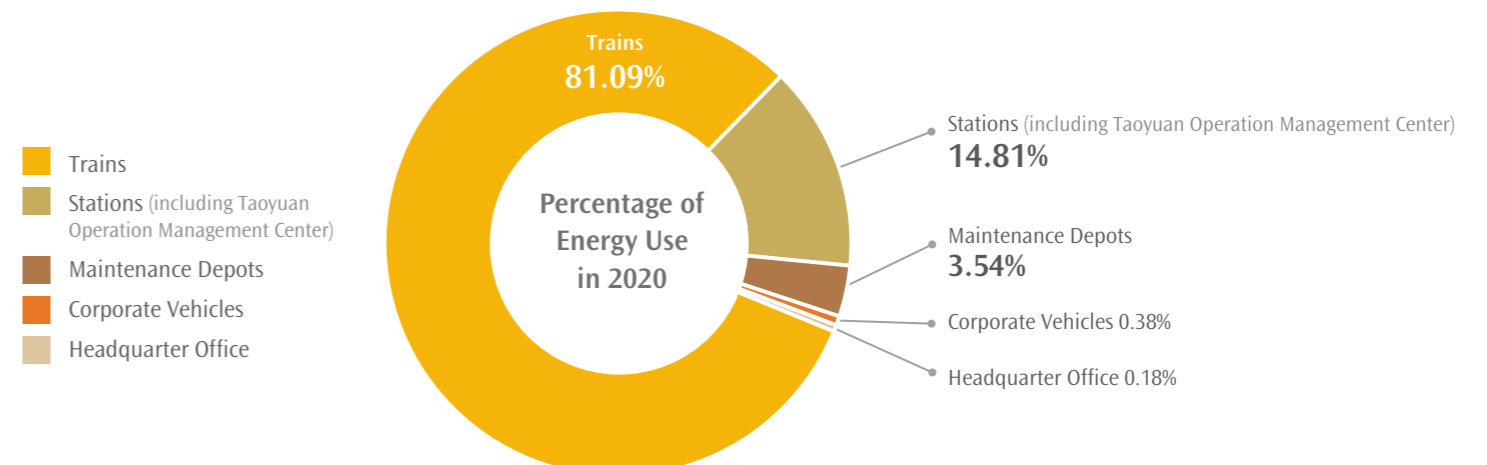
Total Energy Consumption (Note 1)

Unit: GJ	Type	Purpose	2018	2019	2020
Trains	 Electric power	Electricity consumption for train operation, air-conditioners, and lighting	1,789,747.20	1,827,845.50	1,799,343.36
Stations	 Electric power		71,261.71	70,960.14	72,400.23
		 Green power (Note 3)	0	0	0
	 Diesel	Engineering maintenance of vehicles and emergency generators	6,298.88	6,168.91	6,178.07
	 Electric power		346,824.28	351,037.77	327,742.62
		 Green power (Note 3)		938.71	677.16
	 Diesel	Emergency generators	138.82	155.31	196.54
Headquarter Office	 Electric power		4,787.19	4,322.79	4,013.86
	 Green power (Note 3)		0	0	0
Corporate Vehicles	 Gasoline		7,962.68	8,510.87	6,806.47
	 Diesel		501.75	506.92	1,509.11 (Note 2)
Total Amount	 Gasoline		7,962.68	8,510.87	6,806.47
	 Diesel		6,939.45	6,831.13	7,883.73
	 Electric power		2,212,620.39	2,254,166.20	2,203,500.07
	 Green power (Note 3)		938.71	677.16	729.65
	Total energy amount		2,228,376.63	2,270,185.37	2,218,919.91

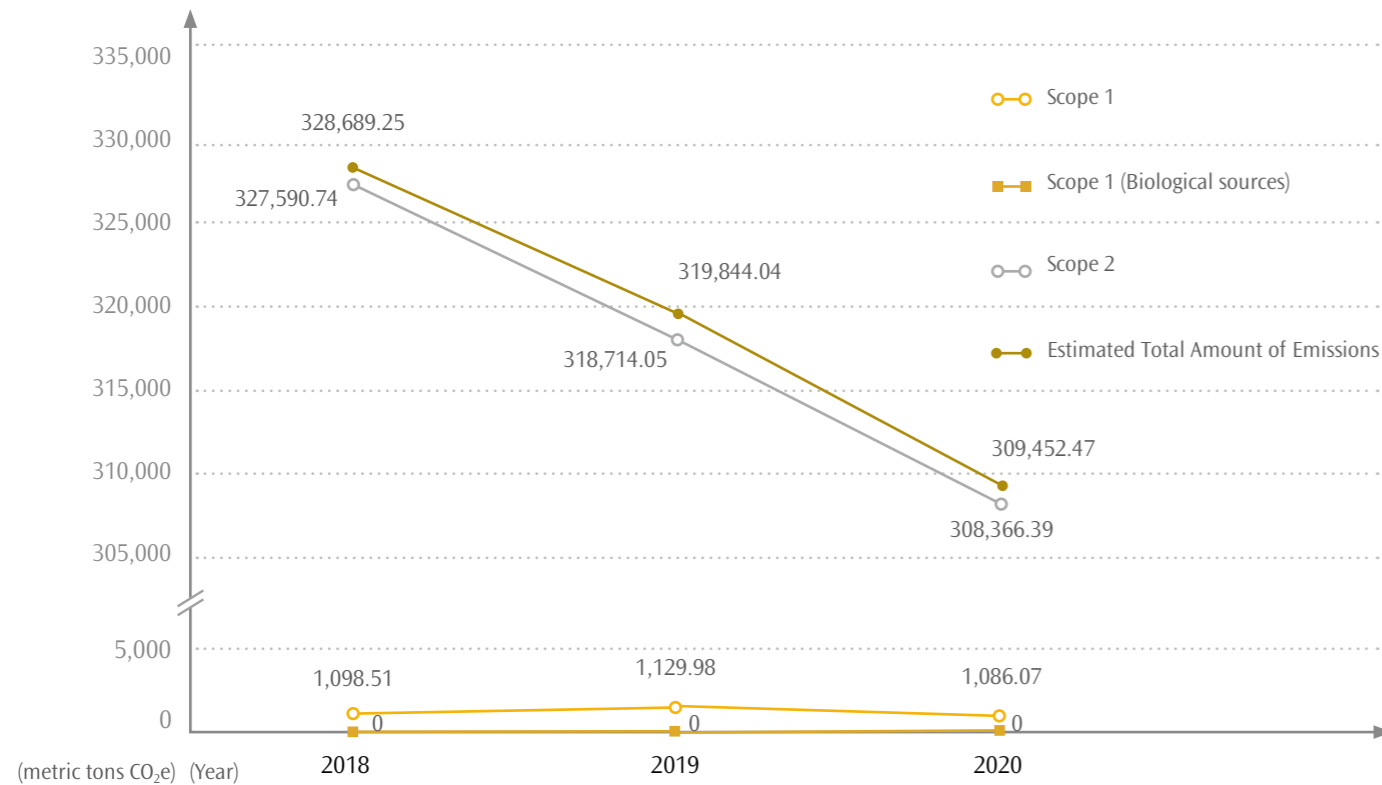
Note: 1. THSRC used the Energy Product Unit Heating Value Table as specified in the 2016 Energy Statistics Handbook published by the Bureau of Energy.

2. Due to the expiration of the company vehicle leasing contract in 2020, the Company switched to another leasing agency for diesel-engined company vehicles, resulting in an increase in diesel fuel consumption.

3. Solar power equipment at four maintenance depots of Wuri, Yanchao, Zuoying, and Liujia were installed on the rooftop area of these maintenance depots rented by operators in the electric power industry. Electric power generated by such equipment was sold to Taiwan Power Company, so there was no data of green power consumption. As there is no such equipment installed at the headquarters office, there was no data of green power consumption, either.



Greenhouse Gas Emissions



Note: 1. THSRC used the 2010-2019 National Electric Power Emission Factor published by the Bureau of Energy and calculated emissions in 2020 using emission factors in 2019. As the calculation of gasoline/diesel fuel consumption in 2019 was updated in 2020 and the calculation of the National Electric Power Emission Factor was based on the data in 2019, the data was different from that in THSRC's 2018 and 2019 Corporate Social Responsibility (CSR) reports.

- Emission factors for gasoline and diesel were corresponding factors from Version 6.0.4 (June 2019) of the Greenhouse Gas Emission Factor Management Table published by the Environmental Protection Administration.
- The Global Warming Potential (GWP) was taken from the fourth assessment report of the Intergovernmental Panel on Climate Change.
- Greenhouse gas emissions were compiled using the operational control method.
- The types of greenhouse gases emitted included sulfur dioxide, methane, nitrous oxide, fluorocarbon, perfluorocarbons, and sulfur hexafluoride.

Sustainable Environment and Green Stations

To cooperate with the government's policy on renewable energy promotion, THSRC has installed solar power generation facilities at the stations. In 2020, the solar power generation of the four maintenance depots was 8752.41 MWh, and the power generated was all sold to Taipower; the solar power generation of the six HSR stations was 2,566.41 MWh, of which 202.68 MWh was used by the HSR stations, and 2,363.73 MWh was sold to Taipower. In 2020, THSRC generated 11,318.82 MWh of solar power throughout the year.

Solar Power Generation at Four THSR Maintenance Depots and Six HSR Stations

	Maintenance Depots	Installed Capacity (Watt)	Annual Power Generation (MWh)		
			2018	2019	2020
Maintenance Depots	Wuri Maintenance Depot ^(Note 1)	1,436.25	1,500.74	1,408.12	2,013.19
	Yanchao Main Workshop	3,856.59	5,135.91	4,693.91	4,891.55
	Zuoying Maintenance Depot ^(Note 2)	1410.17	503.83	441.11	1,528.87
	Liujia Maintenance Depot ^(Note 3)	499.72	—	—	318.80
	Total amount at all four maintenance depots	7,202.73	7,140.48	6,543.14	8,752.41
Stations	Miaoli Station	72	56.58	37.83	66.56
	Changhua Station	99.38	84.02	73.95	81.87
	Yunlin Station	93.18	96.65	76.32	54.25
	Tainan Station ^(Note 4)	499.72	—	—	676.11
	Chiayi Station ^(Note 4)	968.44	—	—	1,062.66
	Taoyuan Station ^(Note 5)	499.84	—	—	624.95
	Total amount at all six stations	2,232.57	237.25	188.1	2,566.41

Note: 1. Solar installation capacity and power generation of the detention ponds were added in 2020.

2. Solar installation capacity and power generation of the detention ponds and parking spaces for cars and scooters were added in 2020.







3. Solar power generation facilities were installed on the rooftop in 2020, so there was no relevant data for 2018 and 2019.

4. The new solar power generation facilities were installed in outdoor parking spaces for cars and scooters in 2020, so there was no relevant data for 2018 and 2019.

5. Solar power generation facilities were installed on the rooftop in 2020, so there was no relevant data for 2018 and 2019.





The average electricity consumption per passenger served at HSR stations had been reduced from 2.25 kWh in 2008 to 1.17 kWh in 2019, and the average power consumption per passenger served at the maintenance depots had been reduced from 0.73 kWh in 2008 to 0.29 kWh in 2019. In 2020, due to the impact of COVID-19, the number of passengers decreased by 16.18% as compared to that in 2019. As a result, the electricity consumption per passenger at the HSR stations increased to 1.33 kWh and 0.35 kWh at the maintenance depots. Under such circumstances, we were still committed to reducing the impact on the environment through improvement measures for the HSR stations and the maintenance depots.

THSRC's buildings are designed based on the concept of sustainable environment, encompassing "ecology," "energy saving," "waste reduction," and "health." Based on the main structure of each station, different designs are adopted according to the local environment, and a number of energy conservation measures are implemented to reduce the building materials and air conditioning load. In 2020, various energy management measures implemented at each station are as follows:

<p>Nangang Station</p> <p>Improved the LED energy conservation proposal for 7 elevators</p> 	<p>Changhua Station</p> <p>Improved energy efficiency of blowers of the adjustment tank of the sewage treatment system</p> 	<p>Yunlin Station</p> <p>Improved the lighting of the emergency ladder on the platform</p> 
<p>Yunlin Station</p> <p>Optimized and improved automatic flushers for toilets</p> 	<p>Chiayi Station</p> <p>Optimized and improved the energy efficiency of R16 eight-meter street light</p> 	<p>Zuoying Station</p> <p>Improved lighting fixtures in the landscape area at Exit 1</p> 

In addition, THSRC continued to promote the four major energy conservation solutions at the maintenance depots and implemented a number of energy conservation measures. We even voluntarily conducted organizational greenhouse gas emission inventory audit and external verification at 12 stations, and successfully obtained the ISO 14064-1 Verification Opinion Statement.

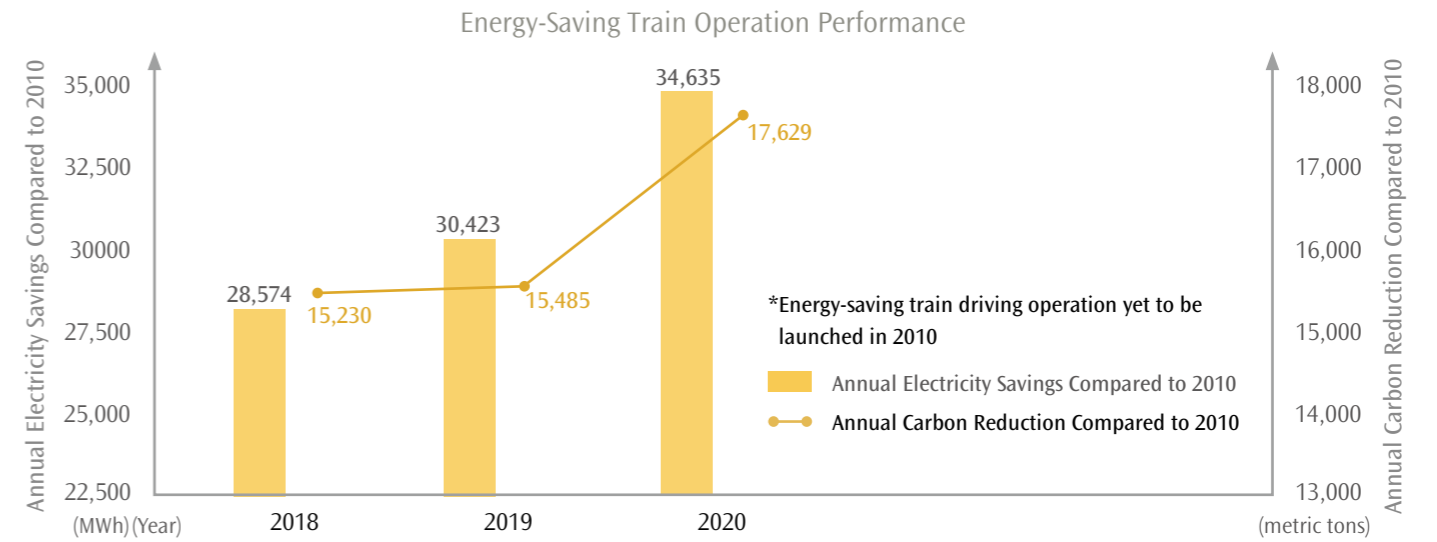
Energy Conservation Measures at Maintenance Depots

<p>Four Major Energy Conservation Solutions</p>	<p>Autonomous energy conservation management</p> 	<p>Reduce electricity consumption</p> 	<p>Transfer peak electricity usage</p> 	<p>Use electricity reasonably</p> 
--	---	--	--	--

- Other Energy Conservation Measures**
- Change from two-stage time-of-use tariff to three-stage time-of-use tariff
 - Install independent air-conditioning systems with small chiller units
 - Change the operation mode of blowers at wastewater treatment plants
 - Reduce the original contracted electricity capacity during the summer months
 - Improve LED lighting
 - Increase the temperature of outflowing water from cooled chillers
 - Improve the pressure capacity of the air compressor in the maintenance depots
 - Improve the monitoring function of the small energy-efficient chillers

Building Low-Carbon Trains and Operations

From November 2013 to the end of December 2020, THSRC saved 10,072 MWh of electricity (equivalent to 36,260,133 GJ of energy consumption) and reduced CO₂ emissions by 5,294 metric tons through the replacement of LED lamps on trains. We also launched the "Energy-saving Train Operation" plan through the "Energy Conservation Project Team." As of the end of 2020, this plan has reduced a total of 1,027,976,944 GJ (equivalent to 285,549 MWh of electricity) in energy consumption as compared to that in 2010 and prevented 150,240 metric tons of carbon dioxide from emitted.



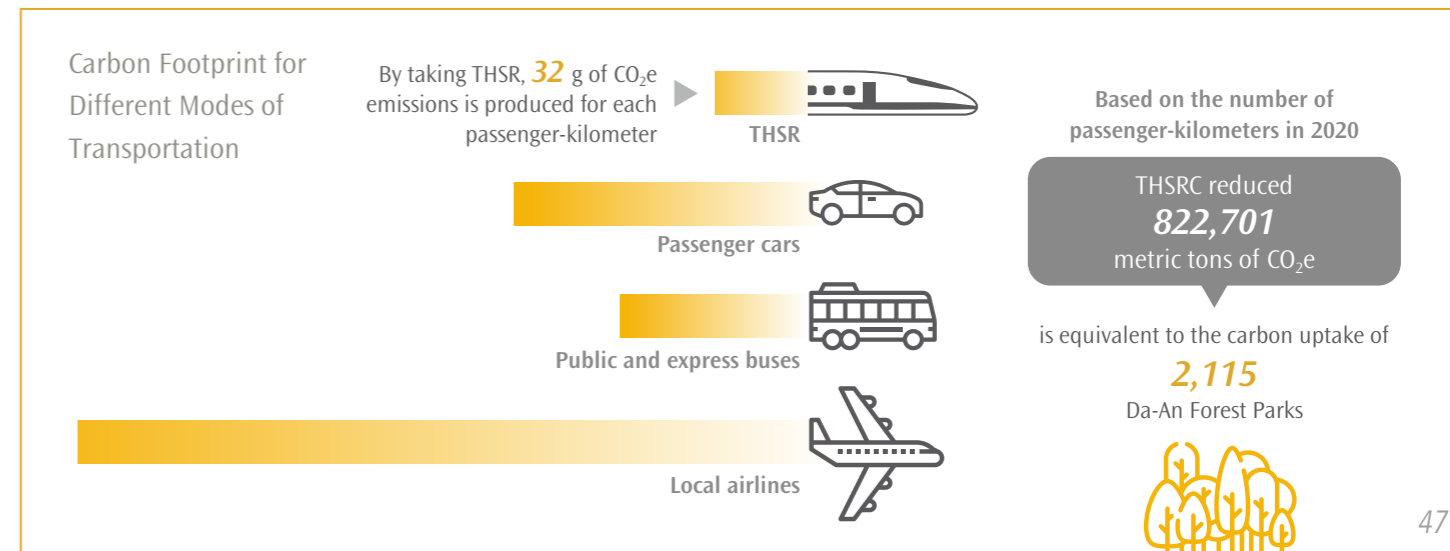
Note: 1. THSRC used the 2010-2019 National Electric Power Emission Factor published by the Bureau of Energy, and calculated emissions in 2020 using emission factors in 2019.
 2. Only electricity consumption in train operation was included. Electricity consumption for lighting and air-conditioners on trains were not included.
 3. The original annual carbon savings in 2020 as compared to those in 2010 were 16,216 metric tons, which was corrected to 15,485 metric tons in the recalculation due to the adjustment to the 2019 emission factors.

Low Carbon Footprint with Green Transportation

THSRC has obtained the "Transportation Service Carbon Footprint Label" and the certificate and label of the "Carbon Footprint between Stations." In 2020, we applied to the Environmental Protection Agency for an extension and were awarded a renewed carbon footprint label. As we have achieved our carbon reduction commitment of reduction by more than 3% within 3 years (by 4.92% in practice), we were awarded a "carbon reduction label." THSRC has set up the "High Speed Rail Transportation Service Carbon Footprint" page on our corporate website, and indicates the carbon footprint label on our train magazine, T-Life, and THSR tickets to demonstrate our efforts to develop a "green brand."



By taking High Speed Rail, 32 g of CO₂e emissions are produced for each passenger-kilometer. Compared to other modes of transportation, the carbon footprint is one-third that of passenger cars, half that of public and express buses, and one-eighth that of domestic airlines. Based on the number of passenger-kilometers in 2020, THSRC reduced 822,701 metric tons of CO₂e, which was significantly lower than that of passenger cars and was equivalent to the carbon uptake of 2,115 Da-An Forest Parks [as per the website of the Bureau of Energy, Ministry of Economic Affairs (MOEA).]



THSRC not only actively implements low-carbon measures related to transportation services but also executes them in the operations through promotion of various energy conservation and environmental protection measures at various office buildings.

The energy conservation measures adopted by THSRC in 2020 are as follows:

- In 2020, the replacement of LED lamps reduced office power consumption by 7,151 kWh/month, which exceeded the original power consumption estimated to be reduced by nearly 1.5 times.
- Since the implementation of power conservation measures from 2017 to 2020, a total of around 528,000 kWh of electricity had been saved, which was equivalent to a reduction of around 131.51 metric tons of CO₂ emissions (calculated based on our country's National Electric Power Emission Factor of 0.509 kg of CO₂e/kWh in 2019).
- The number of electronic documents in 2020 was 46,473, saving 557,676 pieces of paper, conserving 67 trees, and reducing 804 kg of carbon emissions.

Note: Information used for calculation originates from the Environmental Quality Protection Foundation, where using 8,333 pieces of A4 paper (weighing 4 to 6 g per piece) is equivalent to cutting down one tree with a height of 12 m and a diameter of 15 to 20 cm, while one tree absorbs approximately 12 kg of carbon dioxide a year.

THSRC also adopts diverse ticketing services to reduce the impact of THSRC services provided to passengers on the environment. The relevant performance in 2020 is as follows:

- The cumulative number of magnetic or paper tickets used by passengers has been reduced by 43.15 million pieces through THSRC's efforts to issue periodic/multi-ride tickets. In 2020, the number of magnetic or paper tickets used by passengers was reduced by 5.71 million.
- The cumulative number of magnetic/paper tickets used by passengers was reduced by more than 44.48 million due to the use of mobile tickets. In 2020, a total of 12.33 million magnetic/paper tickets used by passengers were reduced.
- The cumulative number of passengers using co-branded credit cards for non-reserved seat service has exceeded 11.04 million people.

Use of Water Resources and Wastewater Treatment

THSRC's water management policy revolves mainly around water conservation, reduction, and recycling. We have set up the "Energy Conservation Project Team" and convene review meetings every quarter. In 2020, HSR stations, maintenance depots, and THSRC's headquarters use tap water as the source of water rather than groundwater. The total annual water withdrawal is 683 million liters of water, all of which is fresh water. With the World Resources Institute's water resources management tool, the water stress is divided into 10 ranges. THSRC's water intake source is in the fifth range of 2.6-3.0 in a medium-to-low stress region. In the future, THSRC will continue to pay attention to changes in water conditions and adopt rolling adjustment measures for water management.

In addition, in response to the drought and water shortage in Taiwan, THSRC has implemented a wastewater recycling and reuse project in the wastewater treatment plants and the train wash sites at the maintenance depots, and discharged rain and sewage from the maintenance depots into the detention ponds first, which will then be used to water plants so as to reduce the amount of tap water consumption. Moreover, Miaoli, Changhua, and Yunlin Stations are even equipped with underground water storage tanks to store rainwater and sewage for reuse.

Regarding wastewater management, THSRC has set up wastewater treatment plants at various maintenance depots and Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, and Tainan Stations. Professionals with wastewater treatment licenses will classify and treat the sewage to meet the standards for effluents. The remaining stations directly discharge sewage into sewers with sewage treatment fees paid regularly. In addition to environmental management audits performed, THSRC complies with the "Water Pollution Prevention and Control Measures Plan." The total water discharge in 2020 was 367 million liters, and a report is filed on the quality and quantity of effluents from the sewage treatment plants as scheduled.

Waste Disposal

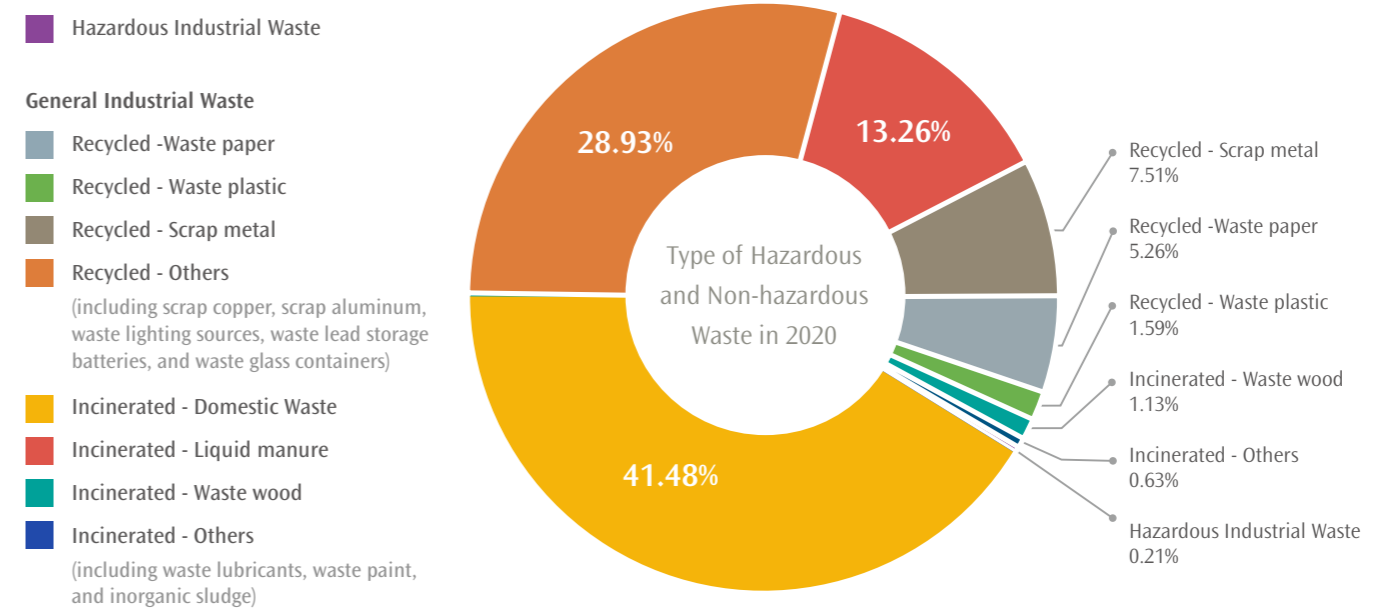
The waste generated by THSRC's operations mainly comes from the maintenance of trains at the maintenance depots, as well as passengers and employees entering and leaving the stations. Regarding waste treatment, THSRC's waste produced is mainly general business waste as per the "Business Waste Clean-up Plan." The recycling, clean-up, and disposal of waste at all maintenance depots and HSR stations are all processed by qualified licensed operators entrusted by THSRC. Non-recyclable general business waste is ultimately disposed in incinerators. THSRC also manages the contractors through a contract mechanism to facilitate supervision of their compliance with relevant waste regulations. In 2020, the total amount of waste treated as per the reports filed was 9,321.92 metric tons, and 43.3% of the waste was recycled in a volume of 4,034.78 metric tons. Subsequently, the quantity of waste treated is filed based on the data specified on the waste clean-up receipts. In 2020, no breach of contract occurred, and no leakage of oil, fuel, chemical substances, or waste occurred.

In 2020, the total cost of wastewater and waste treatment was approximately NT\$62.51 million, where the main treatment items included maintenance and upgrade of equipment of wastewater treatment plants, coagulants, precipitants and disinfectants, water quality inspection, commissioning of sludge collection and disposal, and outsourcing of waste collection and disposal.

Waste Management at HSR Stations and Maintenance Depots

Unit: Metric tons	Stations		Maintenance Depots		Stations and Maintenance Depots		
	Amount of Waste	Amount of Resources Recycled	Amount of Waste	Amount of Resources Recycled	Amount of Resources and Waste Recycled	Total Amount of Waste	Resource and Waste Recycling Rate
2018	6,337.78	641.04	570.00	641.97	1,283.01	8,190.79	15.7%
2019	5,596.35	728.65	393.69	517.23	1,245.88	7,235.92	17.2%
2020	4,735.55	3,162.20 ^(Note)	551.59	872.58	4,034.78	9,321.92	43.3% ^(Note)

Note: In 2020, old air conditioners were replaced with more energy-efficient ones at the stations. Due to the large tonnage of old air conditioners, the weight of resources recycled increased, thereby increasing the recycling rate of resources and waste.

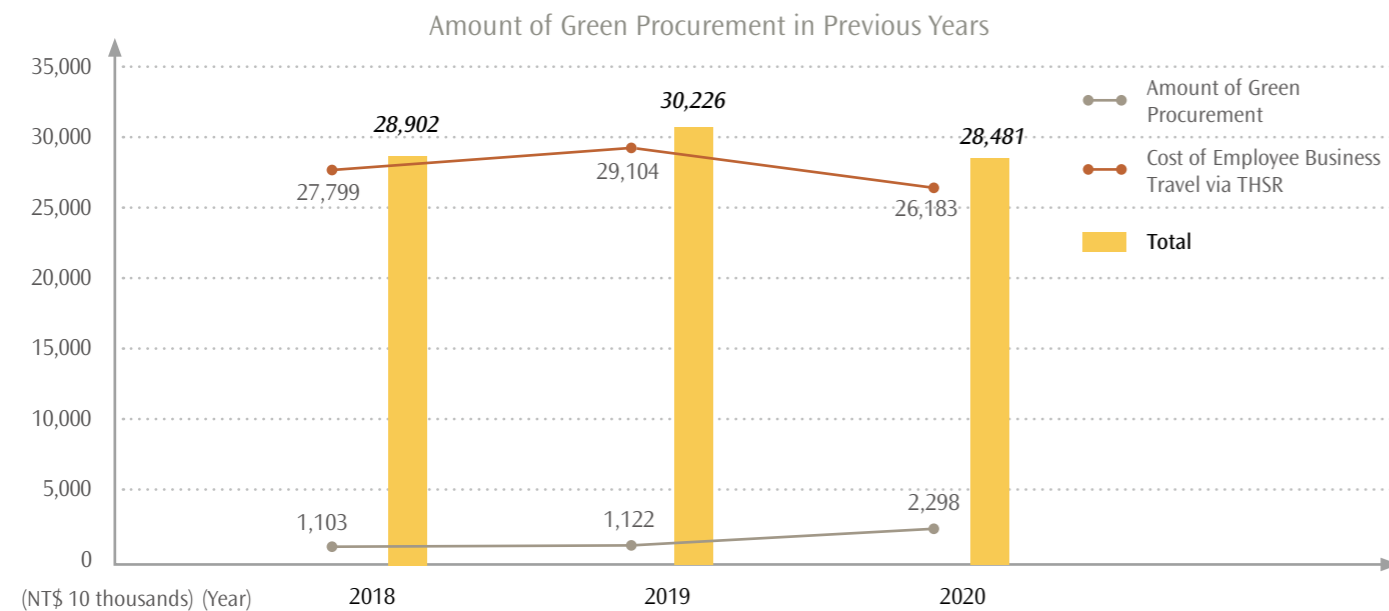


Note: The waste from the headquarters is processed by the building management unit, and the waste from trains is included in that from stations or maintenance depots for processing altogether, so the relevant data has been included in this table.

In addition to implementing our own waste management, THSRC actively urge suppliers to take relevant actions. In our contracts with contractors, we require them to properly clean and dispose of the waste generated. In addition to the awareness-increasing session in meetings on interface agreements and work meetings with contractors, we supervise each contractor's implementation of waste treatment measures through on-site audits.

Caring for the Environment with Green Procurement

THSRC is committed to working with supply chain partners to respond to environmental protection. We not only prioritize the purchase of products with less impact on the environment but also require suppliers to comply with relevant environmental regulations through supplier regulations when developing new suppliers. Moreover, according to the “Green Procurement Filing for Private Enterprises and Groups” announced by the Environmental Protection Administration (EPA), we have to purchase or use products with the eco mark and the green mark, products with the carbon footprint label, as well as products and services with the carbon reduction label as one of the green procurement items. As THSRC is certified with the carbon footprint label, we have also included employees’ THSR travel expenses into calculation of the amount of green procurement and actively implement carbon reduction in every part of our operations. THSRC continues to require that the part of the products provided by suppliers as per the contract must be green products. In 2020, due to the increase in procurement amount and items, the annual green procurement amount had nearly tripled as compared with that in 2019.



Nurturing Talent and Value Cultivation

Inclusive and Equal Employment

“Suitable talents for suitable places” is THSRC’s philosophy in recruitment and salary design. We believe that employees are the core driving force behind corporate growth. Therefore, we have listed the cultivation of professional talents as an important goal of our operations. Our talent recruitment will be conducted equally regardless of race, skin color, religion, gender, or nationality. We also formulate employee salary, employment period, work conditions, and employment rights in compliance with relevant domestic laws and regulations (such as the Labor Standards Act, the Employment Service Act, the Act of Gender Equality in Employment). This has demonstrated our sound and diverse internal employment system.

THSRC also achieves diversification of manpower through various recruitment channels. We set up a special section for the disabled on our recruitment website and hire employees with disabilities based on the characteristics of the job. In 2020, we employed 49 employees with disabilities, including 8 with severe disabilities, which was higher than the number required by law, while recruiting a total of 52 indigenous people.

In 2020, the turnover rate of all employees was 2.39%, which was a sharp drop from the average turnover rate of 3.70% in the past five years. The decrease shows that our efforts to create a happy workplace have been recognized by our employees. In the future, we will continue to pursue growth in orders to attract more talents to join while continuing to incorporate diverse elements and vitality into the THSRC family.

		Human Resources Structure		
		Employee Category		
		Percentage	Male Female	
Total Labor Force		65.30%	34.70%	
	Total number of employees	3,069	1,631	
Fixed Term Contract	Contract employees	17	48	
	Seconded employees	—	—	
	Outsourced employees	2	2	
	Total number of employees on fixed-term contracts	19	50	
Non-Fixed Term contracts	Total number of employees on non-fixed term contracts	3,050	1,581	
Rank	Vice President and above	0.19%	0.02%	
	Assistant Vice President	0.32%	0.06%	
	Manager and Deputy Manager	3.53%	0.87%	
	Section Chief	10.96%	3.00%	
	General Employees	50.30%	30.74%	
Education Background	General and vocational high school and below	3.91%	0.53%	
	University/Junior college	51.51%	30.77%	
	Masters	9.57%	3.38%	
	PhD	0.30%	0.02%	
Other Multiple Indicators	Indigenous employees	0.91%	0.27%	
	Disabled employees ^(Note 6)	0.77%	0.34%	
Age	Management Level	Under 30 years old	0.00%	0.00%
		30-50	2.00%	0.72%
		Over 50 years old	2.06%	0.23%
	Non-Management Level	Under 30 years old	11.28%	9.87%
		30-50	43.49%	22.49%
		Over 50 years old	6.47%	1.38%

Notes: 1. Fixed-term contract employees are mostly Front line interns (including station, service, and maintenance interns).

2. Non-fixed term contract employees are full-time employees.

3. The management is defined as managers of section chief level and above.

4. The formula used was as follows: Percentage of a certain group of people = Number of people in the particular group/Total labor force.

5. Due to the rounding of data, the sum of data may not be exactly 100%.

6. The calculation of data on employees with disabilities did not include employees on unpaid leave. In 2020, THSRC employed a total of 48 employees with disabilities, which was higher than the 1% employment requirement as stipulated in the existing regulations.

7. For the data on the human resource structure from 2018-2019, see Tables 3 in the Appendices. [↗](#)

Statistics of New and Resigned Employees in 2020

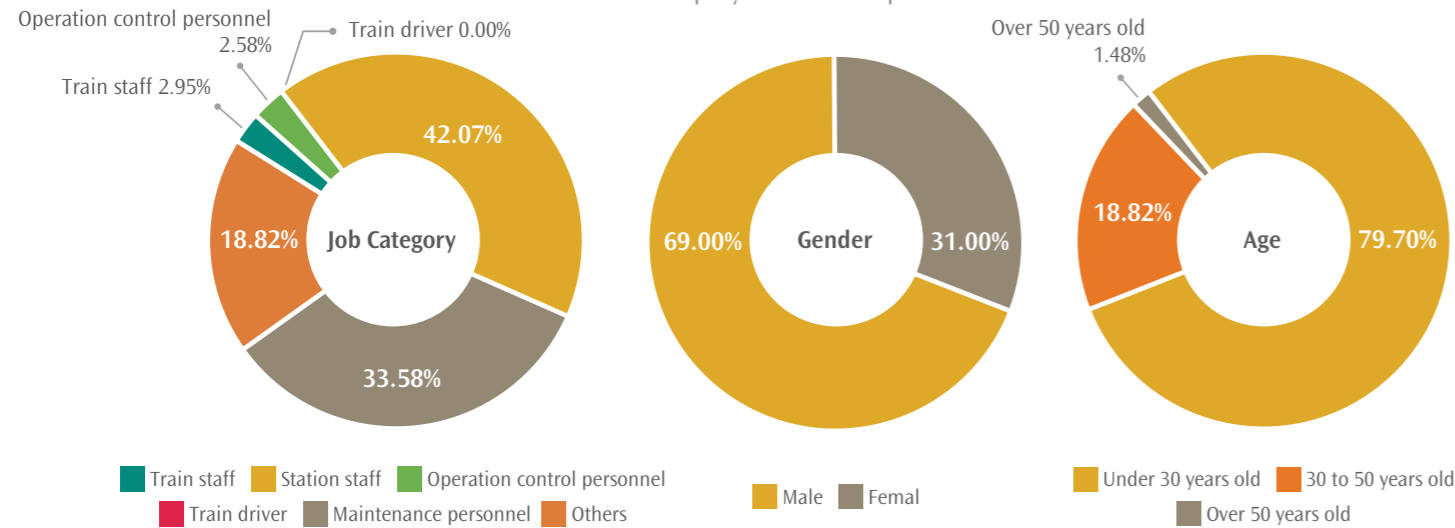
Category	New employees		Resigned employees	
	Male	Female	Male	Female
Train staff	2	6	1	7
Station staff	46	68	3	17
Operation control personnel	4	3	5	2
Train driver	-	-	1	0
Maintenance personnel	91	-	34	0
Others	44	7	28	15
Under 30 years old	139	77	35	24
30-50	45	6	21	13
Over 50 years old	3	1	16	4
Total	187	84	72	41
Percentage	3.98%	1.79%	1.52%	0.87%

Note: 1. For the data on new employees from 2018–2019, see Table 4 in the Appendices. For the data on resigned employees from 2018–2019, see Table 5 in the Appendices.

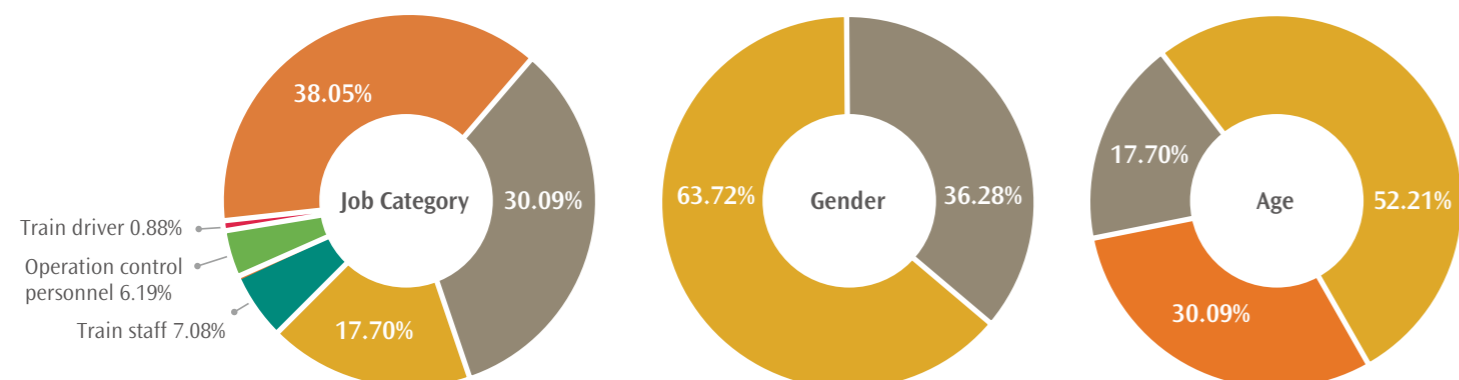
2. Only non-fixed contract employees were included in the calculation of the turnover rate while interns, dispatch manpower, and contract employees were not included.

3. To improve the update of human management information in real time, the turnover rate for 2020 was the sum of monthly turnover rates. The monthly turnover rate is calculated as: Number of resigned employees in the current month / Average number of employees in the current and prior months.

2020 New Employee Rate Composition



2020 Resigned Employee Rate Composition



Complete and Perfect Salary and Benefit System

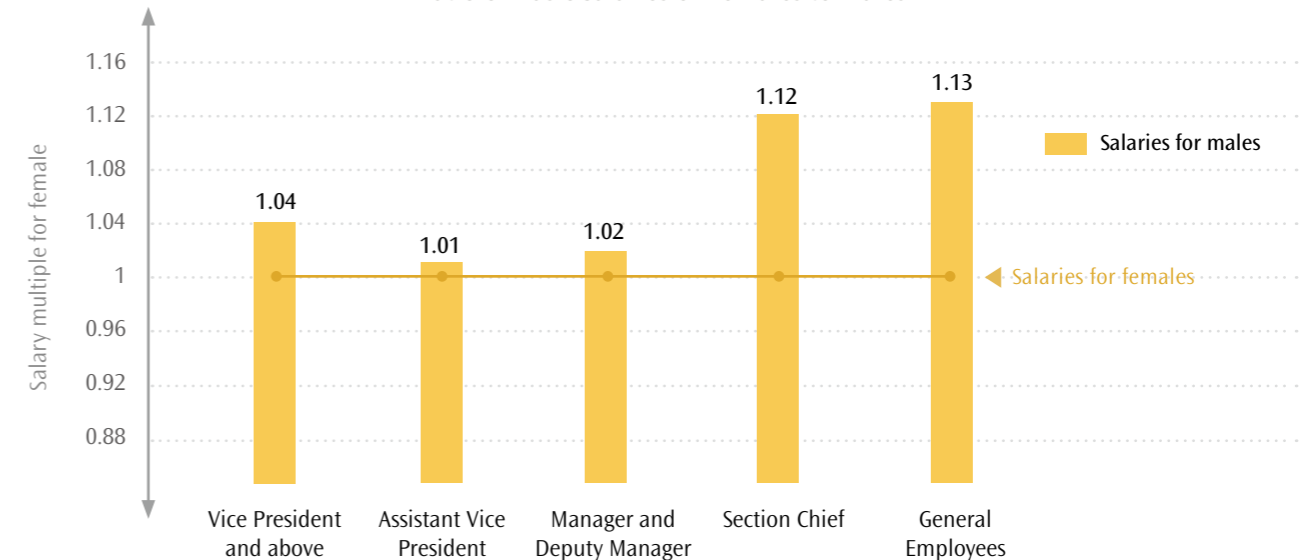
THSRC has formulated a transparent salary policy based on work experience, education and experience, and expertise; as such, we can share the results of operating performance with our employees, and we also disclose the mean and median of the salaries of full-time non-managerial employees publicly as per the requirements of the Taiwan Stock Exchange.

THSRC employees' starting salary is higher than the basic salary in Taiwan and does not differ due to gender. As most of THSRC's technical professionals are males, and their salaries are higher than other positions due to the nature of the professional services, there was a difference in the salary ratio of females to males in the general positions and entry-level managerial positions. However, there was no significant difference in the salary ratio of females to males at the management level, which indicates the equality of THSRC's salary policy. Besides, in order to protect secondees' and contract employees' rights, their salaries are determined and approved by THSRC, and THSRC will inspect manpower agencies' labor contracts and salary-related documents to protect such employees' labor rights.

Comparison with Basic Salaries in Taiwan

Items	Female	Male
Local basic salary	23,800	
Starting salary for junior staff	33,800	33,800
Ratio of starting salary for junior staff to local basic salary	1.42	1.42

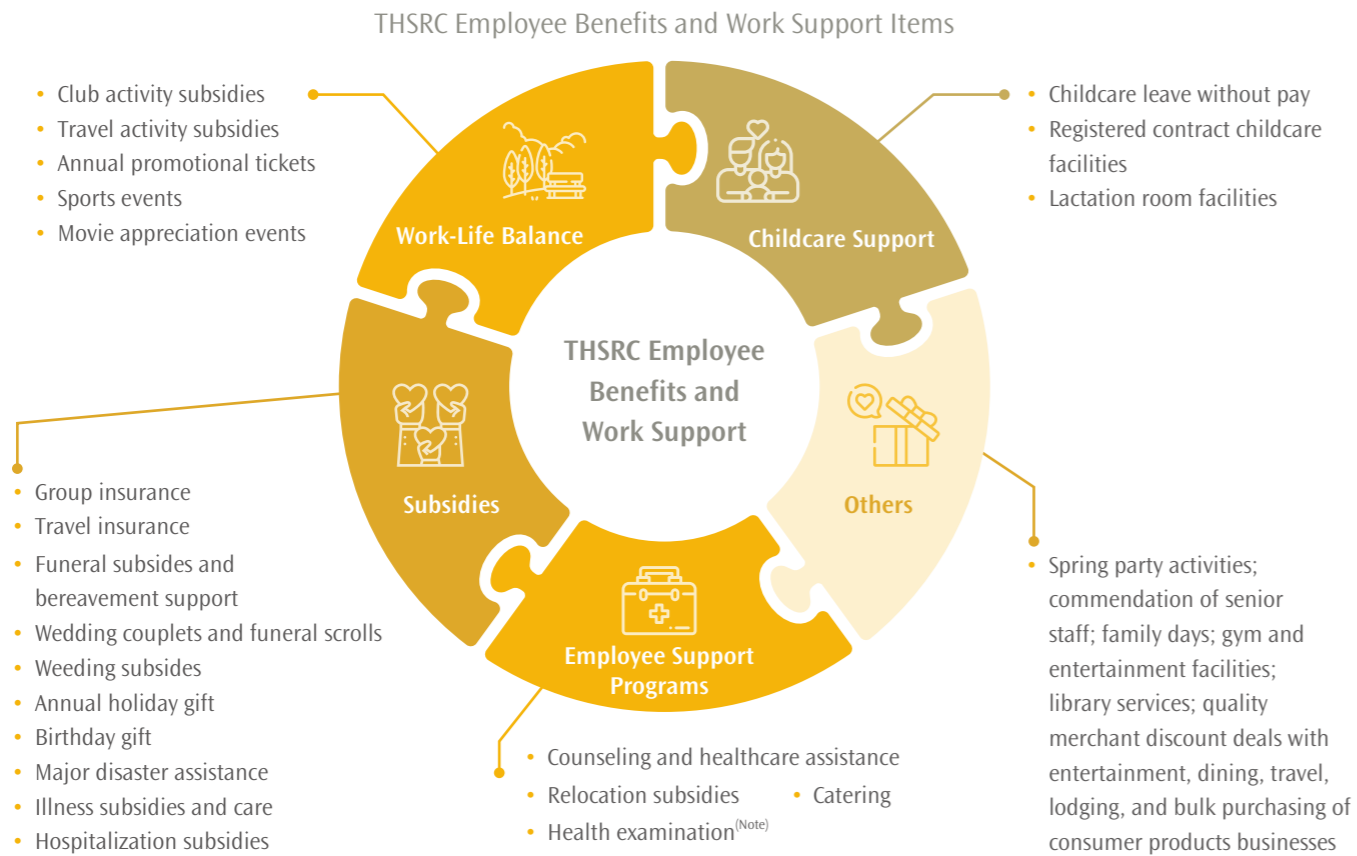
Ratio of Basic Salaries of Females to Males



Information on Salaries of Full-Time Non-Management Employees

Items	Unit	2019	2020	Annual variation
Number of full-time non-managerial employees	Number of persons	4,477	4,574	2.17%
Total salary of full-time non-managerial employees	NT\$ thousands	4,129,347	4,271,281	3.44%
Average salary of full-time non-managerial employees	NT\$ thousands	922	934	1.30%
Median salary of full-time non-management employees	NT\$ thousands	831	838	0.84%

THSRC's employee benefit system covers work-life balance, subsidies, employee support programs, and childcare support. We have also established an employee welfare committee in accordance with the law to handle various welfare measures and operations. Moreover, We regularly review the existing internal welfare policy through market surveys conducted by external consulting companies to ensure that our welfare plans remain competitive in the market.



Note: THSRC's health examination measures are superior to those stipulated in the relevant laws and regulations, where general employees aged 45 years old and above undergo health examination once a year, and those aged under 45 years old undergo health examination once every two years, while train personnel undergo health examination once a year. The 2020 annual health examination for general and train personnel was completed in May and September, and 100% of train personnel completed the health examination.

To promote its employees to live and work in peace and contentment, THSRC has not only set up an unpaid parental leave system but also continues to think about how to ensure that employees' salary and career development are not restricted, so as to enable employees to "give birth and be on parental leave without worries." To accomplish this, we have adjusted our internal policies so that male and female employees who have been on unpaid parental leave for less than 183 days in the year in which they are on parental leave can still be entitled to the annual salary adjustment system after reinstatement so as to ensure employment equality.

Comprehensive Employee Training

Training Based on Three Major Competencies

THSRC's training system is divided into three major competencies, namely core competencies, professional competencies, and management competencies based on the two main aspects of "safety" and "service." We provide comprehensive competencies training courses based on different purposes.

Training Based on Three Major Competencies

Management competencies

To advance management philosophy and thinking, strategic thinking, planning, and organization among managers

First-line, middle, and top managers

Core competencies

To shape employees' values, safety, quality, and services

All employees

Professional competencies

To enhance job knowledge and skills required by employees

All employees

To stimulate employees' enthusiasm for learning and to meet the requirements for professional skills, we have divided the training model mainly into internal and external training courses, online digital courses, and hands-on sessions while establishing a Training Management and Digital Learning System and a mobile learning app. Employees can consult this system for training course information, lecturers' lectures, and personal learning records while interacting with internal lecturers through this system. In 2020, the number of employees participating in digital learning every month increased by 18.3% as compared with that in 2019, which clearly indicated an improvement in the efficiency of employee learning management.

In terms of training courses related to professional competencies, the training categories with the highest number of person-hours were operational service, maintenance, and railway safety courses. HSR's first-line professional technical and service personnel must pass a series of rigorous certifications and annual refresher training and incident simulation drills to maintain a high level of sensitivity to transportation safety at all times. In particular, THSR train drivers not only have to undergo at least more than 1,000 hours of professional driving courses for more than eight months in a cumulative manner but must also attend THSRC's internal training test to obtain driving certification after completing training, and pass the high-speed rail train driving license test before they can start performing their duties as a train driver.

As for the core competencies, THSRC provides online courses, such as train helper, ethical conduct training, confidential information protection operations, as well as information safety and management, so that employees can familiarize themselves with THSRC's spirit of integrity and respond cautiously to information security incidents to prevent illegal activities from occurring.

To strengthen supervisors' competencies and management efficiency and quality, THSRC has formulated various strategic thinking and leadership training courses, and planned a two-day "Customer-oriented Communication Influence Workshop" and "Managerial Assessment of Proficiency" for individual supervisors to assist them in leveraging management efficiency and to facilitate the overall performance.

As the Company grows day by day, how to seek and train future successors for the management is also one of THSRC's important strategic goals at this stage. In 2020, we completed the scientific evaluation tool of the "Managements Learning Passport," and successively completed the ability evaluation of 232 supervisors at all levels. Based on the evaluation results, we examined the existing ability gaps and arranged courses on "communication ability" and "cognitive ability" to strengthen their relevant capabilities to assist them in optimizing management effectiveness.



↑ Supervisor communication training

Internal Lecturer Cultivation

In response to the need for conducting nearly 3,000 safety, services, and technical professional courses on our own every year, THSRC continues to develop internal lecturers, who are selected or recommended by senior personnel or supervisors from relevant units. These internal lecturers can teach internal courses at THSRC after passing our internal lecturer training courses and practical exercise certification. In 2020, THSRC trained a total of 90 qualified internal lecturers. As of 2020, THSRC trained a total of 912 main lecturers. The categories of lectures by internal lecturers are based on professional competency training, supplemented by management competency training. The average teaching hours per lecturer in 2020 were 55 hours.

Results of Training Programs

In 2020, the number of training hours for employees according to different competencies and categories is as follows. This year, the overall employee satisfaction regardless of training category was 4.6 points (out of 5 points), showing that THSRC attaches importance to employee learning and is committed to talent development and improvement to employee capabilities. Such effort has been trusted and recognized by employees. In the future, THSRC will also continue to integrate internal and external resources to assist employees and the Company in growing together.

Training Hours in 2020				
Unit: Hour	Category	Male	Female	Total
All Employees at THSRC	Number of Training Hours Per Capita ^(Note 1)	243.9	156.2	212.8
	Average Number of Training Hours Per Training Session ^(Note 2)	6.8	5.4	6.3
Average Number of Class Hours Per Different Job Rankings ^(Note 3)	Vice President and above	16.4	14.0	16.1
	Assistant Vice President	30.3	27.5	29.8
	Manager and Deputy Manager	122.9	35.4	105.9
	Section Chief	94.8	66.2	88.5
	General Employees	264.4	162.4	226.7
Average Number of Class Hours Per Different Categories ^(Note 4)	Train Staff	71.7	97.0	92.4
	Station Staff	226.4	239.6	235.0
	Operation Control Personnel	739.6	817.1	755.5
	Train Driver	989.8	1135.7	1003.8
	Maintenance Personnel	224.5	51.8	223.3
	Others	128.4	35.5	104.7

Note: 1. The training hours of males and females differ from each other mainly because of the ratio of males and females and different professional training attended due to job differences.

2. "Average number of training hours per training session" aims to present the number of training hours per training session for each person every year.

3. Average number of class hours per different job rankings is calculated by dividing the total number of training hours for a job ranking by the number of employees at the particular job ranking throughout the year.

4. Average number of class hours per different categories is calculated by dividing the total number of training hours in a particular category by the number of employees participating in the particular category throughout the year.

5. For the training hours from 2018–2019, see Table 6 in the Appendices. [↗](#)

Talent Management and Motivation

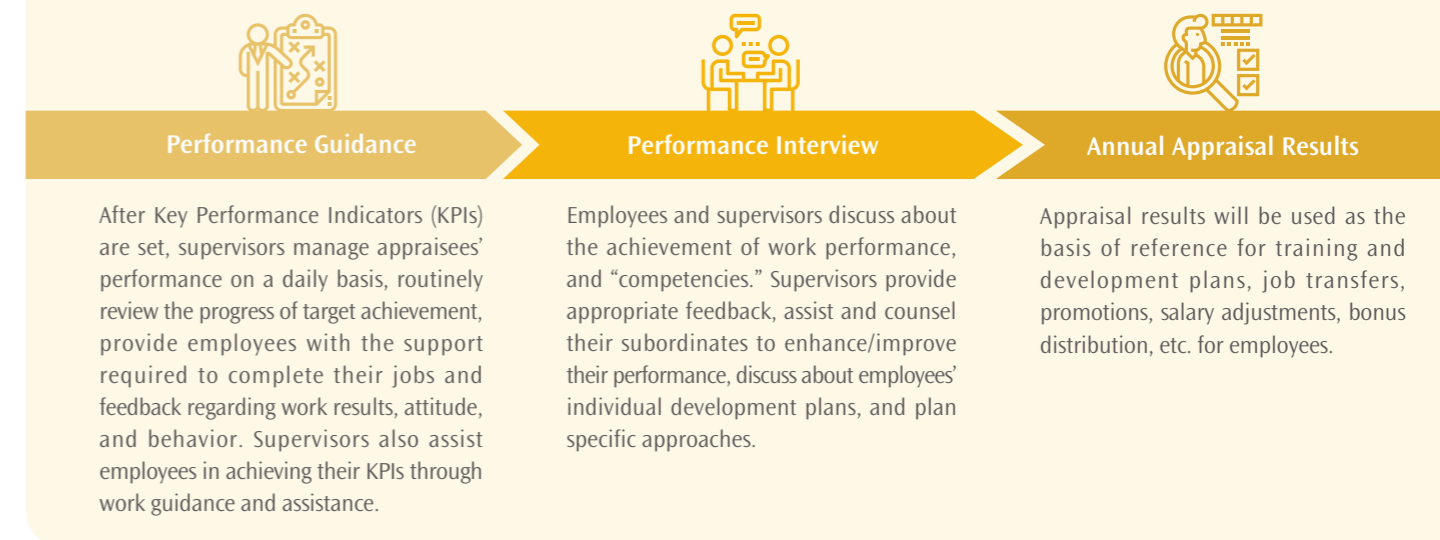
All employees and supervisors at THSRC undergo performance appraisal once every year and are rated according to performance appraisal results. Ratings are divided into five levels in the following order, "Outstanding," "Significantly exceed requirements," "Exceed general requirements," "Meet requirements," and "Unable to perform existing work, and require improvements."

The number of full-time employees who should accept performance evaluation in 2020 was 4,536 (including employees who were on unpaid leave). Except for the two employees due to resignation during the evaluation period who were confirmed not to be evaluated by both the employees and their supervisors, all employees received performance evaluation. The total number of employees receiving performance evaluations accounted for 96% of all employees.

Percentage of Employees Receiving Performance Evaluation by Gender and Age

Age Range	Female	Male
Under 30 years old	9.1%	9.1%
30-50	45.1%	24.2%
Over 50 years old	10.4%	2.1%
Total	64.6%	35.4%

THSRC's Performance Appraisal Process



Promotion and Development of High-Performing Talents

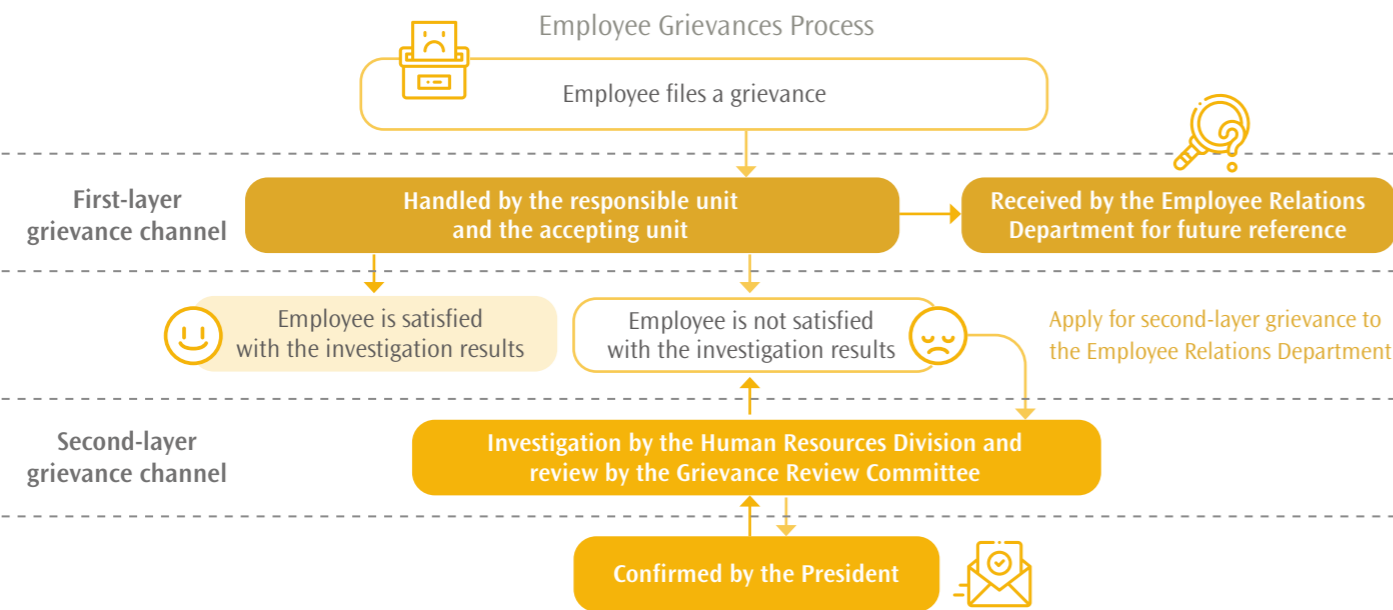
THSRC has long been implementing the talent development program known as "Career Path," which designs different retention and career development paths for high-performing talents at first-line units and personnel in different positions, and also integrates annual manpower inventory audit, to satisfy relevant needs for passenger services or maintenance services. High-performing personnel at first-line units must attend management associate training courses, and complete delegated tasks within a period of time before undergoing site supervision for promotion. After ability assessment, THSRC will promote them to management positions when such positions are vacant. In order to ensure fair and rigorous promotion review procedures, THSRC launched self-conducted review meetings at divisions in 2018, in hopes of ensuring fair competition among employees and enabling THSRC to search for outstanding talents while meeting organizational developments and job allocations.

Protection of Rights and Considerate Care

Labor Relations and Employee Care

THSRC attaches great importance to employees' rights and opinions and has established diverse complaints and communication channels. In addition to setting out employee complaint rules, we manage to learn about employees' needs through monthly discussion meetings with the THSRC Labor Union on various issues and quarterly labor-management meetings held at 19 business premises to maintain harmonious labor-management relations. Moreover, THSRC has established sexual harassment prevention and grievances channels, and implemented relevant training courses and sexual harassment prevention awareness-increasing sessions to protect THSRC workers' physical and psychological safety to prevent the occurrence of internal and external sexual harassment incidents.

THSRC's process of handling grievances filed by employees is shown in the figure below. In the future, we will continue to actively handle grievances from employees to maintain harmonious labor-management relations and to establish a healthy workplace with open communication.



In terms of employee care, THSRC has formulated the "Mental Health Protection Regulation" to properly take care of employees' different needs in order to create a warm and thoughtful work environment. The details are as follows:

Act of Gender Equality in Employment

THSRC has established breastfeeding rooms for employees to encourage and support breastfeeding policies.

Labor Health Protection Regulations

THSRC has established infirmaries at headquarter, Operation Management Center (OMC) building, and all maintenance bases, and set up with better standards than those required by the relevant laws and regulations at HSR stations, to provide employees with emergency medical assistance.

Mental Health Protection Regulation

Upon the occurrence of an accident, unit supervisors, accident investigation units and human source personnel will jointly maintain employees' mental health protection.

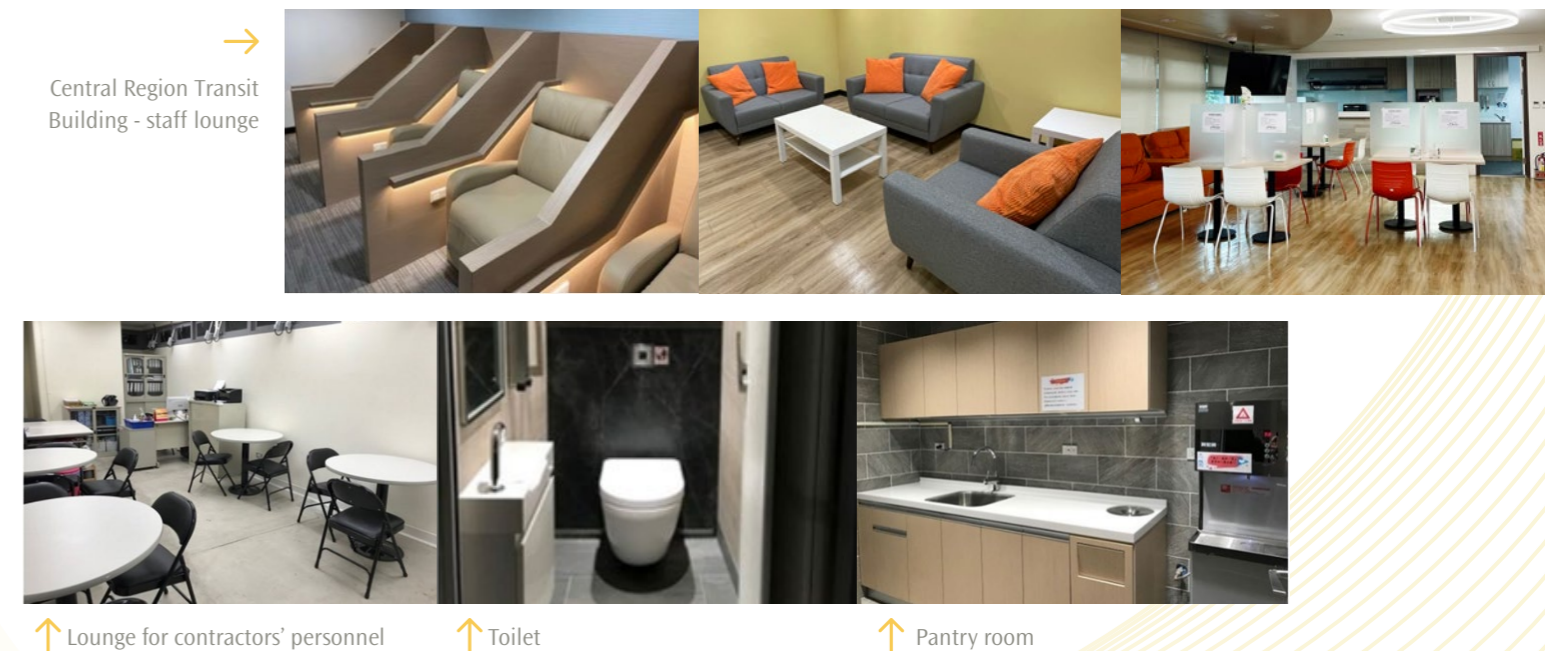
We work with the relevant departments to provide health consultation, work allocation suggestions, and psychological consultation to employees who will go into mandatory retirement, have major injuries and illnesses, or are adapting to reinstatement to duty. In 2020, we took care of a total of 136 employees.

We also planned employee psychological health lectures and training courses according to the needs of different job positions to enhance employees' knowledge and skills, help them relieve stress, and promote a harmonious work environment. The relevant information and number of participants in the 2020 courses are as follows:

Course Title	Content	Participants	Batch	Training Hours	Number of Persons
Special Incidents Care	<ul style="list-style-type: none"> Formation and Development of an Issue Five Steps of Care—Carers' Self-Care 	All employees	3	21	136
Parental Communication - How to Carry Out Emotional Parenting	<ul style="list-style-type: none"> Common Emotional Behaviors How Do You Conduct Parenting? The Importance of Emotional Parenting How to Conduct Emotional Parenting? 	All employees	2	6	76
Acceptance and Stress Relieving - Emotions are My Good Companion	<ul style="list-style-type: none"> Know Myself Be Aware of Emotions Stressed or Relaxed? Emotions—A Rainbow or a Black Hole in the Universe Positive Thinking and Stress Mitigation Methods 	All employees	2	6	70
Hotline Service Training	<ul style="list-style-type: none"> Significance of Dedicated Hotline Service Identification of Types of Incoming Calls Steps of Response Skills Operator's Self-Care 	Day-shift employees	1	7	24
Total			8	40	306

To care for and put great emphasis on employees, THSRC has been actively creating a safe and warm work environment. In response to more employees joining the THSRC family, we created a space in the original Central Region Transit Building in 2020 to add a private and comfortable meeting room and a soundproofed lounge on the second floor of the building, and meeting rooms, training classrooms, and standby rooms on the third floor.

Upholding the commitment to social responsibility, THSRC expanded the space for contractors' personnel to rest at the southern end of Zuoying Station's platform in 2020 with facilities, including toilet, pantry room, and storage space to create a convenient and safe space to cater to such personnel's needs thoughtfully and to help them regain energy for work.



Occupational Safety and Health

Management Mechanism and Performance

THSRC has established an occupational health and safety management system since it started operation. The scope of the system covers HSR stations, maintenance depots, facilities along the line, and office spaces. The number of workers covered by this system is 4,696, and the number of contractors' personnel covered is 1,720, totaling 6,416; the approval rate of internal and external audits of the system is 100%.

THSRC has formulated the "Safety and Health Policy" and regularly convenes the "Occupational Safety and Health Committee" (consisting of one chairman, one executive secretary, and 17 committee members, where seven of them are labor representatives, accounting for one-third of all committee members) and occupational safety and health management meetings, to motivate all units and labor representatives to jointly review the Company's various occupational safety and health issues. Employees are informed of relevant occupational safety and health information through internal and external websites and bulletin boards.

In addition to establishing systems and policies to implement occupational safety and health management, we organize general occupational safety training to enhance the Company's overall occupational safety awareness, and offer training in terms of seven special hazardous operations, namely production machinery, hydraulic aerial cages, hoists, construction, hypoxia operations, electric welding, and chemical use and disposal. A total of 269 employees completed such training sessions in 2020.

In recent years, THSRC has also passed the "Performance Recognition of the Occupational Safety and Health Management Systems" by the Ministry of Labor and completed the verification of the transition to Taiwan Occupational Safety and Health Management System (TOSHMS) CNS 45001 and ISO 45001 in 2020. The performance of various occupational safety and health management efforts has demonstrated that THSRC is committed to building a corporate safety culture and is determined to improve the occupational safety and health management standards.

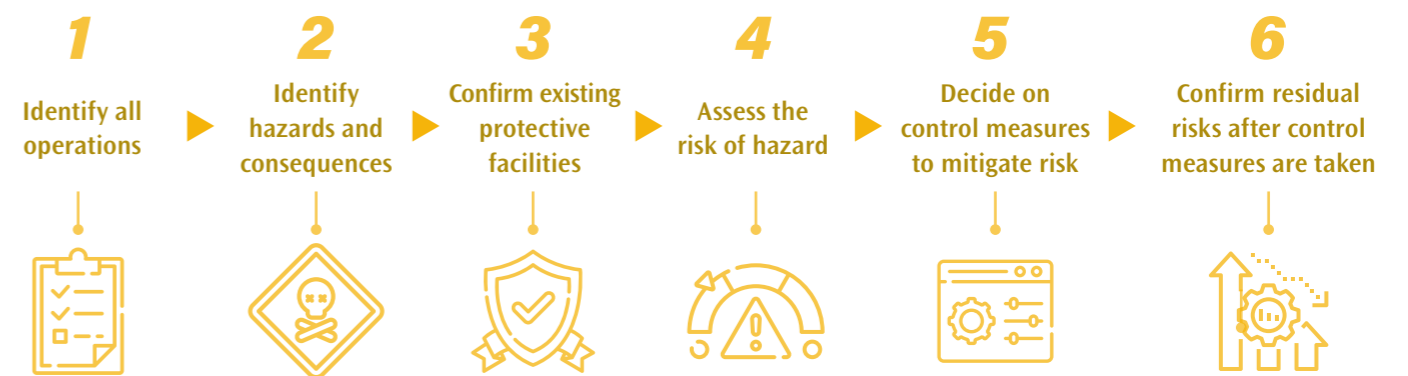


2020 THSRC won the international ISO 45001 and the TOSHMS certificate issued by British Standards Institution (BSI)

On the left is Peter Pu, President of BSI Northeast Asia, and on the right is Yao-Chung Chiang, Chairman of THSRC

To address occupational hazard, THSRC has established the "Occupational Safety & Health Hazard Identification and Risk Assessment Procedure" to reduce the chance of occupational disasters in advance through steps of hazard identification, inspection of existing protective facilities, risk assessment, and control measures and adopted a hierarchical control system to eliminate hazards and minimize risks. In addition, THSRC assigns the trained risk assessment personnel at each unit to disclose the hazard assessment information of each operation on the internal platform, and to re-check the effectiveness of the hazard control measures every year to continuously mitigate and control the risk of each operation. In 2020, more than 8,000 hazard identification and risk assessments were completed. Occupational Safety & Health Hazard Identification and Risk Assessment Procedure are as follows:

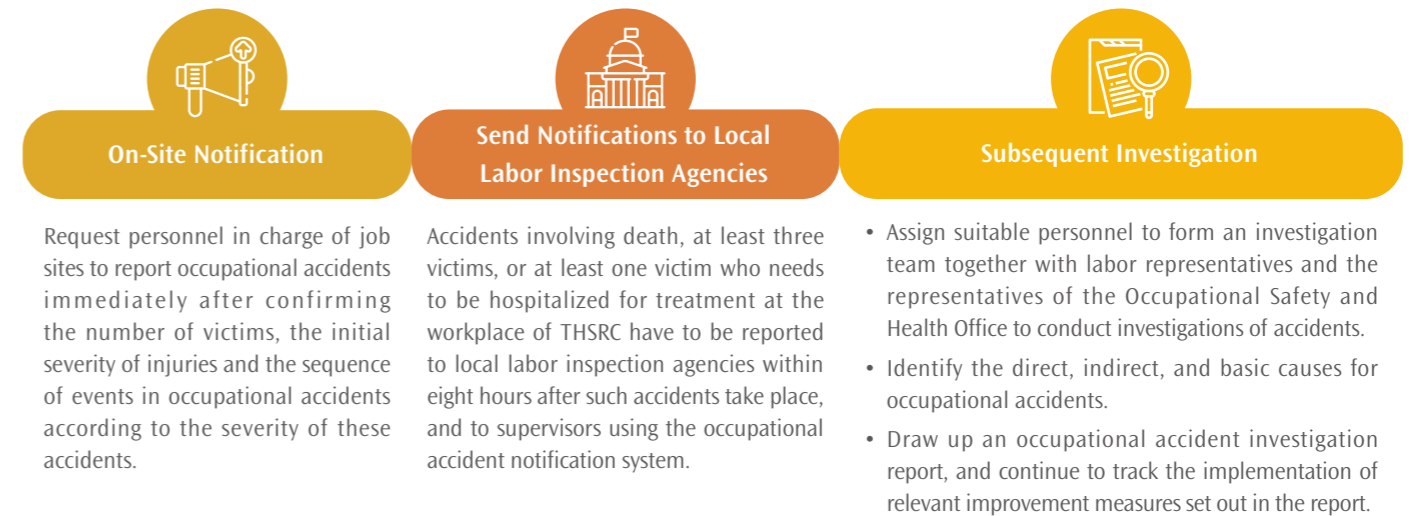
Occupational Safety & Health Hazard Identification and Risk Assessment Procedure



In addition to avoiding the concealment of occupational accidents through company regulations and announcements, THSRC encourages all workers to actively report any non-compliance related to safety and health risks or to put forth relevant improvement measures. If a worker discovers that there is a risk of immediate harm when performing his/her duties, the Occupational Safety and Health Act shall prevail, and the worker can stop the operation and retreat to a safe place. The immediate supervisor who is informed will initiate subsequent measures accordingly.

In the case of a disaster, after the internal and local supervisors are informed, THSRC will immediately initiate an investigation process as per the "Incident Reporting, Investigating, Disposal and Statistics Procedures" in order to handle the accident effectively and to alleviate the negative impact as quickly as possible. During the investigation, the immediate unit supervisor of said worker will lead the occupational accident investigation team to carry out the investigation jointly with labor representatives to ensure labor rights.

Occupational Accident Notification and Investigation Process



In addition, THSRC will offer rewards to reports on false alarms in the hope of eliminating concealment, discovering the true root cause, and improving potential hazards and risks. There were 43 false alarms related to occupational safety and health in 2020, of which "falling over" accounted for the largest proportion. In the future, we will continue to improve work safety through environmental optimization, safety awareness enhancement, and regular maintenance of protective equipment.

THSRC is also committed to fulfilling its responsibility for supervision through its own influence in order to prevent or mitigate the negative impact on occupational safety and health caused by suppliers on the Company. For example, we have formulated a company-wide Contract Management Plan to prompt each unit to conduct safety and health management of contractors. We also require contractors to submit an

Occupational Safety and Health Management Plan before starting the construction in the business premises to supervise the contractors' planning and implementation of their hazard identification process. Furthermore, we have formulated the application and review procedures for contractors to bring their own equipment into the non-controlled areas, including the HSR stations or the Operation Management Center, through the Contractor's Occupational Safety and Health Management System (CSH) launched in 2020.

We manage occupational safety and health management targets using quantitative and traceable indicators. Besides, we set different goals for employees, contractors, and suppliers, and continue to implement internal occupational safety and health management mechanisms through periodic or non-periodic inspection and audit mechanisms such as active measurement and supervision. In 2020, the achievement of occupational safety and health management goals as well as the occupational safety indicators is listed in the table below:

2020 Occupational Safety and Health Management Goals ^(Note 1)

Item	Goal	Actual Data			
		Male	Female	Total	
Employees	Frequency-severity indicator for occupational accidents at the workplace ^(Note 2)	≦ 0.10	0.13	0.03	0.12
	Frequency-severity indicator for traffic related accidents outside the workplace	≦ 0.24	0.01	0.02	0.02
Contractors and suppliers	Number of people in fatal accidents	0	0	0	0
	Number of people in accidents involving at least three victims	0	0	0	0
	Number of people in accidents involving at least one victim who needs to be hospitalized for treatment	0	3	0	3

Note: 1. The settlement date for occupational safety and health management targets was December 31, 2020.

2. Frequency-severity indicator = $\sqrt{[\text{Disabling injury frequency rate (FR)} \times \text{Disabling injury severity rate (SR)}] / 1,000}$.

In 2020, the number of working hours of THSRC's all employees was 9,467,136 hours, and the number of working hours of non-employees was 3,467,520 hours. The types of occupational accidents that occurred in 2020 with higher percentages of all occupational accidents at the workplace were falling over (70%), bumping (10%), falling/rolling down (10%), and infringement (6%). Of all types of occupational accidents outside the workplace, accidents involving scooter riders accounted for 100% of all traffic-related occupational accidents. THSRC continues to increase employees' awareness of safety and health by reminding them to pay attention to the ground conditions at all times when walking rather than being distracted while using handrails when going up and down the stairs to prevent falling over/down or bumping against people. To prevent the hazards of falling and rolling down, safety protection measures (such as guardrails or protective equipment) have been comprehensively established to ensure a safe work environment. For illegal infringements, we have also formulated preventive plans and implement them accordingly to properly maintain employees' occupational safety.

Through the operation of the non-concealment management mechanism, all our occupational accidents have been filed as they were, and no occupational disease-related incidents occurred this year. In the future, we will continue to optimize and manage occupational safety and health-related measures to actively raise employees' safety awareness.

Occupational Safety Index in 2020

	Deaths resulting from occupational hazards		Severe occupational injuries		Occupational injuries on record		Main Categories of Occupational Injury
	Number	Ratio	Number	Ratio	Number	Ratio	
Employees	0	0	0	0	10	1.05	Falling over, falling down, and bumping
Contractors	0	0	0	0	3	0.86	Hit by falling objects, falling down, and falling over

Note: Ratio of occupational injuries on record = (Number of disabling injuries / Total working hours) × 1,000,000

Employee Health and Safety Management Measures

THSRC actively implements relevant workplace health and safety measures. We organize health promotion activities with different aspects every year and require new employees to receive education and training on basic railway safety and general occupational safety and health on the first day of work. After completing health and safety training, they then receive professional training as per their duties. Relevant health promotional activities include:

Health Promotion Activities in 2020

	Infectious disease prevention	<ul style="list-style-type: none"> "Guarding the Most Important People" state-funded influenza vaccination (1 session), reaching 143 persons. THSRC full subsidized influenza vaccination (employees and contractors)^(Note 1), and thus won the highest epidemic prevention pioneer award from the Taiwan Immunization Vision and Strategy. Annual health examination (drivers/general employees/senior employees/special and night shift employees/senior supervisors/general supervisors) was provided to 2,519 persons; the health examination and follow-up management methods provided were better than what is stipulated in law ^(Note 2).
	COVID-19 prevention management	<ul style="list-style-type: none"> The Health Status Reporting Management System was launched on the intranet on May 8. After a notice was received to cooperate with the competent health authorities in adopting pandemic prevention and management measures, we would file a report online to stay up-to-date and respond early. "COVID-19 Prevention Zone" was set up on the intranet and the enterprise network to provide employees and passengers with an information exchange platform for relevant information.
	On-site health visits	<ul style="list-style-type: none"> In 2020, a total of 146 on-site visits by specially invited occupational medicine specialists were conducted to provide on-site services. Individual cases requiring improvements or assistance from unit supervisors were submitted separately to the relevant units for approval, and advice was provided by resident physicians. Advice accepted by unit supervisors was tracked and cases closed were kept for future reference.
	Chronic disease prevention and epidemic prevention promotion	<ul style="list-style-type: none"> There are occupational safety and health columns and THSR High Speed Vision Newsletter to regularly share and promote new health knowledge. In 2020, a total of 18 themed articles were published (9 on pandemic prevention, 3 on health and weight loss, 2 on smoking cessation, and the remaining 2 on metabolic syndrome).
	Weight loss competition	<ul style="list-style-type: none"> The Summer Marathon to Fight Fat was organized from June 2 to August 28 with 662 participants.
	Core muscle group training and physical fitness testing activities	<ul style="list-style-type: none"> A professional medical team provided consultation on test results and on-the-spot personal exercise recommendations to a total of 95 participants. For the work contents that involve body twisting, postures in unusual angles, and musculoskeletal hazards, such as bending, head raising, and waist twisting, or labor-consuming work, two sessions of core muscle training for a total of 16 hours were held for such workers, with a total of 45 participants.
	Health seminars	<ul style="list-style-type: none"> A total of 12 health seminars covering 10 topics were held, including physical fitness activities and health seminars on "Foot Health, Myofascial Relaxation, and Simple Kinesio Taping Training" "Myofascial Relaxation for Shoulder, Neck, and Back Pains, and Exercise to Treat Soreness" with 711 participants throughout the year.
	Smoke-free workplace	<ul style="list-style-type: none"> THSRC organized a competition to quit smoking titled "Stop Smoking in Groups of Three - Quit and Win" from January to June, to continue to track the results of smoking cessation for one year while conducting CO testing and offering health education and consultation on smoking cessation, with the 47.5% of participants still continuing smoking cessation.

Notes: 1. As the initial symptoms of COVID-19 were similar to those of influenza, which would cause false alarms. To increase employees' influenza immunity, THSRC entrusted external professionals to administer influenza vaccine to 1,954 persons, including self-funded Flublok vaccination (not satisfying with the requirement for state-funded), which were fully subsidized by the Company (1,574 full-time employees/240 persons from contractors; a total of 1,814 persons were vaccinated).

2. Informal employees are also entitled to health promotion activities (except for annual health examination).

Stay-at-Home T Living Internal Online Activities

In 2020, due to the impact of COVID-19, it was launched to respond to the government's policy to reduce the chance of going out and to avoid gathering. The T Living internal online activities organized by THSRC aimed to enhance team cohesiveness during the pandemic prevention period while motivating employees to bring creativity and fun to their home life. After the launch of the series of activities, they were well-received by employees. The relevant content and results are described as follows:

- Summer Marathon to Fight Fat: A total of **1,978** people signed up, and **1,449** completed the race, with a completion rate of **73.25%**; another **664** people participated in the fat-fighting activity, and the response from the employees was enthusiastic.
- Anti-pandemic i Campaign: This event encouraged employees to share their exercise sessions, and a total of **284** posts were submitted on the intranet with a record of **520,000** views.
- Stay-at-Home i Cooking: This event encouraged employees to share their creative dishes made at home, and a total of **265** articles on culinary delights were shared, creating a browsing record of **410,000** views.



Go Running! THSRC Team Participated in the 2020 Taipei Marathon


In 2020, 35 THSRC employees teamed up to participate in the Taipei Marathon, the slogan of which is "Dare to Breathe!" This is the first time that THSRC participated in the largest international marathon event in Taiwan. In addition to encouraging employees to develop an exercise habit, we actively respond to the national exercise policy launched by the government. We also organized a "Like Facebook Page for a Gift" event at the finish line in the theme of "Kanahei's," at which we interacted with the audience enthusiastically.



Carrying for Society and Developing Local Area

THSRC's transportation service has linked 11 counties and cities, 76 townships and districts, which not only has promoted urban-rural interaction but also facilitated the development of local industries. In addition to fulfilling the responsibility as a company in the transportation industry, we hope to implement corporate social responsibility by promoting social inclusiveness. In 2020, we invested more than NT\$12 million in sponsorships for various social welfare activities, including sponsorships and ticket values converted to contribute to promoting co-prosperity in Taiwan.

More projects or plans related to the creation of interactive platforms, the promotion of humanistic care, and the promotion of environmental protection and green education will be described in the following subchapters.

Aspect	Content	Amount of Sponsorship
 Assistance to the Disadvantaged and Charity Care	<ul style="list-style-type: none"> Ronald McDonald House Charities - Transportation Subsidy Program for Sick Children in Need of Medical Treatment in Remote Areas Andrew Charity Association - In Pursuit of Dreams in 2020 - Summer Growth Camp Lain Xin Yuan Education and Nursing Center - Visit to the Office of the President The Single Parent Foundation - Preparation of the "Wu-Jie" Children and Juvenile Welfare Service Center Heng-Shan Social Welfare Foundation - Christmas Gift Event for Remote Areas 	NT\$ 474,085
 Art and Culture	<ul style="list-style-type: none"> Taiwan Ballet Company - Ballet Flash Mob at the HSR Zuoying Station The Paper Windmill Arts and Educational Foundation - 2020 THSRC Charity Art Performance-The Tiger Fighter-Wu Song The General Association of Chinese Culture - 109th Double Tenth Day Celebration "2020 Proud of Taiwan" 	NT\$ 4,645,870
 Sports	<ul style="list-style-type: none"> Chinese Taipei Football Association - Transportation to and from games The 18th Transportation Cup Table Tennis Championships (Organizers: Chinese Institute of Transportation, Taipei Society for Traffic Safety, and ITS Taiwan) and the 8th ITS Cup Badminton Invitation Tournament - Competition and advertising sponsorship Daojiang High School of Commerce - Aluminum bat group of the 2020 academic year national high school baseball preliminaries in northern Taiwan 	NT\$ 644,665
 Local Life & Social Entrepreneurship & Pandemic Prevention	<ul style="list-style-type: none"> Mituo Fisheries Association - Support program for local fisherman: the Purchase of frozen Milkfish The Documentary of "Beating Covid-19, Taiwan" produced and broadcast by Sanlih Entertainment Television Diversity City Technology Research Center - Asia Pacific Social Innovation Summit "Reimagine Asia" 	NT\$ 6,060,000
 Environmental Protection	<ul style="list-style-type: none"> Pheasant-Tailed Jacana preservation 	NT\$ 1,142,486
Total Amount of Sponsorships		NT\$ 12,967,106

Creation of Interactive Platforms

THSR ART Together Program

In 2015, we launched the “THSR ART Together Program,” inviting schools at the level of junior high schools and above, art groups, or individuals with performance experience to perform at the stations. Affected by COVID-19 in 2020, and to cooperate with the pandemic prevention, the application was suspended for nearly half a year, and was resumed at the end of July. Only **66** performing groups’ applications were accepted, with a total of **1,764** performers. Since the launch of the program to the end of 2020, the number of performances reached **573**, with a total of **17,052** people performing at the stations between HSR Taoyuan to Zuoying Station, enabling passengers to experience the beauty of art and cultural activities firsthand during the convenient and comfortable THSR ride.

↓ Exciting performances at stations during the “THSR ART Together Program”



THSR Museum

Officially launched on January 5, 2017, the “THSR Museum” is Taiwan’s first and only museum based on the corporate image of THSRC. It has attracted an enthusiastic response from the public through its diverse exhibition themes, cultural seminars, and interactive technology devices. In 2020, there were **33,810** visitors in **373** groups. Since the opening of the museum, the total cumulative number of visitors in 2020 reached **133,458**.

Promotion of Humanistic Care



The High-Speed Educational Endowment Program

Since 2010, we have been working with numerous foundations on the “High-Speed Educational Endowment Program.” We provided a platform for fundraising, and all the funds raised were handed over to the foundations we worked with. In 2020, we worked with the Down Syndrome Foundation R.O.C. in fundraising and raised a fund of over NT\$ **12.17 million**. As of 2020, we had organized the event for **11** consecutive years. The cumulative amount of funds raised has exceeded NT\$ **138 million**, and we have successfully helped more than **25,000** children in need to allow them to learn without worries and grow up, to see a richer world and have a better future.

← 2020 The High-Speed Educational Endowment Program Press Conference

THSRC Smiling Train Program

To allow disadvantaged groups or low-income families in rural areas to experience the convenient and efficient THSR ride, we have worked with charity and social welfare organizations in various places on the “THSRC Smiling Train Program” since 2009 to allow target groups to take the THSR train for free or with discounted fares to experience the beauty of the customs of different counties and cities in Taiwan. In 2020, we assisted **17** disadvantaged groups with **2,330** passengers. As of the end of 2020, we had assisted **880** disadvantaged groups with **143,181** passengers.

Group photo of passengers in the “THSRC Smiling Train Program” →



Annual THSRC Winter Outreach Blood Drive

In nearly ten years, THSRC has held the charity event “Annual THSRC Winter Outreach Blood Drive” at stations and at the headquarters at the end of the year. Each event was responded by many employees and people enthusiastically. In 2020, a total of **2,522** people responded to the event with **3,699** units of blood; cumulatively, more than **13,767** units of blood have been raised by 2020, which created a warm atmosphere in the cold winter.

The public enthusiastically responds to THSRC’s blood donation event →



HSR Camps

In order to cultivate potential excellent railway talents and enhance the railway knowledge for students of all ages, THSRC has organized summer and winter activities known as “HSR Camp” for fifth and sixth grade students, secondary school students, senior high and vocational high school students, and students from junior colleges and universities. In 2020, due to COVID-19 prevention, the scale of the winter and summer camps (junior college and university group, senior high and vocational high school group, junior high school group, and primary school group) was adjusted. One camp was held for each group with a total of **eight** camps held throughout the year. It attracted nearly **4,000** people to apply, and a total of **221** students participated in this activity.

← Young students participated in the 2020 HSR Camp

Promotion of Environmental Protection and Green Education

Employee Care and Art Appreciation

In response to the government's "Epidemic New Life Movement" policy, THSRC worked with the Paper Windmill Arts and Educational Foundation to stage a large performance THSRC Arts and Culture Feast - "The Tiger Fighter-Wu Song" at the Taichung Station on Father's Day in 2020. In particular, we invited friends from the Eden Social Welfare Foundation, the Andrew Charity Association, and the Down Syndrome Foundation R.O.C. to appreciate the performance together. The show, attracted more than **6,000** people, aimed to convey the concept of animal conservation in a relaxing and humorous manner through the children's theater, and to prompt the audience to reflect on the importance of harmony between mankind and nature.

↓ 2020 THSRC Charity Art Performance - "The Tiger Fighter-Wu Song"



Local Commitment to Pheasant-Tailed Jacana Preservation

Since 2000, THSRC has sponsored a total of over NT\$66 million into this project in order to create Taiwan's first Pheasant-Tailed "Jacana Ecological Education Park" through the collaboration between the government, development units, and civil groups. We not only actively collaborate with experts and scholars, but also seek the participation of volunteers. According to statistics provided by the Wild Bird Society of Tainan, the number of Pheasant-Tailed Jacanas (including females, males, and fledglings) has greatly risen from 9 in 2000 to 168 in 2020. With the expansion of habitat for the Pheasant-Tailed Jacana group, the number of Pheasant-Tailed Jacanas in the Greater Tainan region grew from 275 in 2009 to **1,720** in 2020, thereby demonstrating the effects of the preservation of Pheasant-Tailed Jacanas and their habitat.

In addition, nearly **249,000** people have visited the Pheasant-Tailed "Jacana Ecological Education Park" since it was established in 2020. We not only continued to sponsor the park management unit every year but also assisted in making park instruction facilities and designed the display and the interactive areas, to strengthen the education function of this park and specifically exhibit the effects of restoration works. This park not only provides the public with the opportunity to learn about the ecology of Pheasant-Tailed Jacanas, but has also attracted international attention, thus becoming a rare successful experience of "coexistence between development and conservation."

Green Energy, Environmental Protection and Sustainable Welfare

Continuing the concept of last year's environmental education program "Exploration of Beautiful Taiwan," THSRC and the Society of Wilderness launched a series of corporate environmental education courses in the theme of "Explore Green Lifestyles." The relevant courses and activities are listed below:

- **"Green and energy-efficient lifestyle" activity:** THSRC's employees were invited to watch electricity conservation videos and to share electricity conservation tips, and more than 4,000 employees (accounting for 90% of all employees) were attracted to respond.
- **"Have you eaten? Green meals on the dining table" event:** In this event, employees got to enjoy the iron boxed meals with local ingredients while discussing the carbon footprint of food so as to motivate everyone to "eat seasonal food and choose local ingredients" and to avoid buying over-packaged meals.
- **"GO! Animal Adventure" course:** Participants were invited to simulate the foraging ecology of albatross, the world's largest seabird, at the seaside through team-based games, to allow them to understand the importance of ecology.

A Select Photo of "Explore Green Lifestyles" in 2020 ↓ →



Appendices

Table 1. 2020 THSRC Industry Associations Participation

Industry Association Participated	Description
International Union of Railways (UIC)	Exchange and collaboration with international railway operators
International High-Speed Rail Association	Exchange and collaboration with international high-speed rails
Chung-Hwa Railway Industry Development Association	Development and promotion of the railway industry
Chinese Institute of Transportation	Development and promotion of the railway industry
Rail Engineering Society of Taiwan	Development and promotion of the railway industry
Taiwan Railway Economy Development Association	Development and promotion of the railway industry
Supply Management Institute, Taiwan	Exchange in procurement-related expertise and participation in related courses
Chinese Society for Quality	Exchange in quality management and participation in related courses
Taiwan Visitors Association	Tourism development and business promotion and exchange
Intelligent Transportation Society of Taiwan	Development and promotion of the transportation industry
Chinese Institute of Engineers	Exchange and promotion of civil engineering technology
Taiwan Stock Affairs Association	Exchange in stock affairs-related expertise and regulatory advancement
Taiwan Corporate Governance Association	Development and exchange in corporate governance
The Institute of Internal Auditors - Chinese Taiwan	Development and promotion of internal audit
Computer Audit Association	Development and exchange in corporate governance
Association of Industrial Relations, R.O.C.	Development of labor relations and participation in regulatory courses
Chinese Human Resource Management Association	Development and promotion of human resources
Accounting Research and Development Foundation	Exchange and promotion of accounting business
Chief Knowledge Officers, China Productivity Center	Exchange and promotion of cross-industry knowledge
Taiwan Railways Tourism Association	Development of railway tourism and business promotion and exchange

Table 2. Information on Members of the Board of Directors

Title	Name	Date Elected (9th Term)
Chairman	Representative: Yao-Chung Chiang China Aviation Development Foundation	2020/5/21
Director	Representative: Kuo-Tsai Wang Ministry of Transportation and Communications	2020/5/21 (Resigned on April 26, 2021)
Director	Representative: Yueh-Hsiang Chen Ministry of Transportation and Communications	Took office on July 23, 2020
Former Director	Representative: Ming-Ching Liu Ministry of Transportation and Communications	2020/5/21 (Resigned on July 23, 2020)
Director	Representative: Lee-Ching Ko China Aviation Development Foundation	2020/5/21
Director	Representative: Chao-Tung Wong China Steel Corporation	2020/5/21
Director	Representative: Chao-Yi Chen Taiwan Sugar Corporation	2020/5/21
Director	Representative: Mao-Hsiung Huang TECO Electric & Machinery Co., Ltd.	2020/5/21
Director	Representative: Shien-Quey Kao Management Committee of National Development Fund, Executive Yuan	2020/5/21
Director	Representative: Kuo-Chih Liu Taipei Fubon Commercial Bank Co., Ltd.	2020/5/21
Independent Director	Kenneth Huang-Chuan Chiu	2020/5/21
Independent Director	Tui Tsai	2020/5/21
Independent Director	Pai-Ta Shih	2020/5/21
Independent Director	Yung-Cheng(Rex) Lai	2020/5/21

Table 3. Human Resource Structure

Category		2018		2019		
		Male	Female	Male	Female	
Total Labor Force	Percentage	64.36%	35.64%	64.37%	35.63%	
	Total Employees	2,879	1,594	2,963	1,640	
Fixed-Term Contract	Contract Employees	18	38	28	53	
	Secundee Employees	0	0	0	0	
	Outsourced Employees	3	7	2	4	
	Total Number of Employees on Fixed-Term Contracts	21	45	30	57	
Total Number of Employees on Non-Fixed Term Contracts		2,858	1,549	2,933	1,583	
Rank	Vice President and Above	0.16%	0.04%	0.17%	0.04%	
	Assistant Vice President	0.36%	0.05%	0.33%	0.05%	
	Manager and Deputy Manager	4.00%	0.94%	3.76%	0.91%	
	Section Chief	10.17%	2.97%	10.62%	3.00%	
	General Employees	49.68%	31.63%	49.49%	31.63%	
Education	General and Vocational High School and Below	4.5%	1.3%	4.65%	1.52%	
	University/Junior College	50.3%	30.8%	50.05%	30.70%	
	Master's	9.3%	3.5%	9.39%	3.37%	
	PhD	0.3%	0.0%	0.28%	0.04%	
Other Multiple-Indicators	Indigenous Employees	0.8%	1.1%	0.84%	0.25%	
	Disabled Employees	0.7%	0.4%	0.75%	0.34%	
Age	Management Level	Under 30 Years Old	0.0%	0.0%	12.45%	12.27%
		30-50 Years Old	8.9%	3.1%	35.39%	18.95%
		Over 50 Years Old	5.8%	0.9%	1.65%	0.42%
Non-Management Level	Under 30 Years Old	12.9%	13.2%	0.00%	0.00%	
	30-50 Years Old	35.4%	18.0%	8.73%	2.95%	
	Over 50 Years Old	1.4%	0.4%	6.15%	1.04%	

Note: 1. The management is defined as managers of section chief level and above.

2. The formula used was as follows: Percentage of a certain group of people = Number of people in the particular group/Total number of employees.

3. Due to rounding of data, the sum of data may not be exactly 100%.

Table 4. Statistics of New Employees

Category		2018		2019	
		Male	Female	Male	Female
Category	Train Staff	0	20	9	52
	Station Staff	37	92	52	79
	Operation Control Personnel	11	4	6	3
	Train Driver	10	0	-	-
	Maintenance Personnel	105	2	136	5
	Others	60	32	46	21
Age	Under 30 Years Old	164	127	183	143
	30-50 Years Old	57	23	62	17
	Over 50 Years Old	2	0	4	-
Total		223	150	249	160
Percentage		5.0%	3.4%	5.4%	3.5%

Table 5. Statistics of Turnover Rate

Category		2018		2019	
		Male	Female	Male	Female
Category	Train Staff	3	30	4	32
	Station Staff	35	69	40	53
	Operation Control Personnel	8	2	7	-
	Train Driver	4	0	4	-
	Maintenance Personnel	67	2	63	4
	Others	48	26	43	16
Age	Under 30 Years Old	100	100	89	83
	30-50 Years Old	49	29	50	22
	Over 50 Years Old	16	0	22	-
Total		165	129	161	105
Percentage		3.7%	2.9%	3.50%	2.28%

Note: The turnover rate calculated for 2018 only included employees on non-fixed term contracts; the turnover rate calculated for 2019 covered all employees.

Table 6. Training Hours

Unit: Hour	2018			2019		
	Male	Female	Total	Male	Female	Total
All Employees at THSRC						
Average Number of Training Hours Per Capita	115.3	103.6	111.1	144.9	129.6	139.5
Average Number of Training Hours Per Training Session	7.2	7.1	7.2	6.5	6.5	6.5
Average Number of Class Hours for Different Levels						
Vice President and Above	9.2	7.8	8.9	11.6	9.6	11.2
Assistant Vice President	8.2	12.2	8.6	10.3	15.0	10.6
Manager and Deputy Manager	15.5	14.7	15.3	19.5	18.1	19.2
Section Chief	99.4	101.2	99.8	124.9	124.5	124.8
General Employees	129.9	105.4	120.4	163.3	128.6	149.8
Average Number of Class Hours for Different Categories						
Train Staff	193.7	184.9	186.4	161.8	205.2	197.4
Station Staff	177.7	142.4	154.8	178.6	158.1	164.9
Operation Control Personnel	163.7	172.6	165.6	148.6	191.6	157.6
Train Driver	315.8	463.0	332.3	315.3	513.9	340.9
Maintenance Personnel	170.0	140.8	170.0	160.3	156.3	160.3
Others	72.8	48.3	63.2	75.7	53.6	67.1

2019 Statement on Greenhouse Gas Emission Inspection at 12 HSR Stations

Statement TW20/00314GG

SGS

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2019 of

TAIWAN HIGH SPEED RAIL CORPORATION

13F., No. 66, Jingmao 2nd Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14064-1:2006

Direct emissions
1,132.1510 tonnes of CO₂e
Energy indirect emissions
47,738.7367 tonnes of CO₂e
Direct emissions and energy indirect emissions
48,870.888 tonnes of CO₂e

Authorized by



David Huang
Senior Director
Date: 14 September 2020
Version 1

TQP56A-15-1 2003
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan
t (02) 22993279 f (02) 22994553 www.sgs.com



This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 1 of 6

Statement TW20/00314GG, continued

SGS

SGS has been contracted by National Cheng Kung University Industrial Sustainable Development Center (hereinafter referred to as "NCKU-ISDC"), No. 1, Daxue Rd., East Dist., Tainan City, Taiwan (R.O.C.) for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3: 2006

as provided by TAIWAN HIGH SPEED RAIL CORPORATION (hereinafter referred to as "TAIWAN HIGH SPEED RAIL"), 13F., No. 66, Jingmao 2nd Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.), in the GHG Assertion in the form of GHG report covering GHG emissions of the period 01 January 2019 to 31 December 2019.

Roles and responsibilities
The management of TAIWAN HIGH SPEED RAIL is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS's responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion for the period 01 January 2019 to 31 December 2019.

SGS conducted a third party verification of the provided GHG assertion against the principles of ISO 14064-1:2006, ISO 14064-3:2006 and TW EPA Guidelines for GHG Validation and Verification (2010.12) in the period 30 July 2020 to 18 August 2020. The verification was based on the verification scope, objectives and criteria as agreed between NCKU-ISDC and SGS on 21 April 2020.

Level of Assurance
The level of assurance agreed is that of reasonable assurance.

Scope
NCKU-ISDC has commissioned an independent verification by SGS Taiwan of reported GHG emissions of TAIWAN HIGH SPEED RAIL arising from the high-speed rail transportation service activities, to establish conformance with ISO 14064:2006 principles within the scope of the verification as outlined below.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 2 of 6

Statement TW20/00314GG, continued

SGS

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary and is based on ISO 14064-3:2006.

- Title or description activities: GHG verification for TAIWAN HIGH SPEED RAIL in year 2019.
- Location/boundary of the activities:

Location	Address
Nangang Station	No. 313, Sec. 1, Nangang Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)
Taipei Station	No. 3, Beijing W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Banqiao Station	No. 7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.)
Taoyuan Station	No. 6, Sec. 1, Gaolie N. Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)
Hsinchu Station	No. 6, Gaolie 7th Rd., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)
Miaoli Station	No. 268, Gaolie 3rd Rd., Houlong Township, Miaoli County 356, Taiwan (R.O.C.)
Taichung Station	No. 8, Zhanqu 2nd Rd., Wuri Dist., Taichung City 414, Taiwan (R.O.C.)
Changhua Station	No. 99, Sec. 2, Zhanqu Rd., Tianzhong Township, Changhua County 520, Taiwan (R.O.C.)
Yunlin Station	No. 301, Zhanqian E. Rd., Huwei Township, Yunlin County 632, Taiwan (R.O.C.)
Chiayi Station	No. 168, Gaolie W. Rd., Taibao City, Chiayi County 612, Taiwan (R.O.C.)
Tainan Station	No. 100, Guiren Blvd., Guiren Dist., Tainan City 711, Taiwan (R.O.C.)
Zuoying Station	No. 105, Gaolie Rd., Zuoying Dist., Kaohsiung City 813, Taiwan (R.O.C.)

- Physical infrastructure, activities, technologies and processes of the organization: The high-speed rail transportation service.
- GHG sources, sinks and/or reservoirs included: Sources as presented in the inventory spreadsheet provided by TAIWAN HIGH SPEED RAIL.
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
- The IPCC 2007 AR4 GWP values are applied in this inventory.
- Electricity emission factor: 0.509 kgCO₂e/kWh (Announced by Bureau of Energy, Ministry of Economic Affairs in 2020)
- Directed actions: NA
- GHG information for the following period was verified: 01 January 2019 to 31 December 2019
- The version of inventory sheet: 20 August 2020
- The version of GHG assertion: 20 August 2020

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 3 of 6

Statement TW20/00314GG, continued

SGS

- Intended user of the verification statement: Private

Objective
The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria
Criteria against which the verification assessment is undertaken are the principles of ISO 14064-1:2006 and TW EPA Guidelines for GHG Validation and Verification (2010.12)

Materiality
The materiality required of the verification was considered by SGS to 5%, based on the needs of the intended user of the GHG Assertion.

Conclusion
TAIWAN HIGH SPEED RAIL provided the GHG assertion based on the requirements of ISO14064-1:2006. The GHG information for the period 01 January 2019 to 31 December 2019 disclosing emissions of 48,870.888 metric tonnes of CO₂ equivalent and 0.0000 metric tonnes of direct CO₂ emissions from the combustion of biomass are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

The emission of each site is described as below: Unit: tonnes of CO₂e

Site	Direct emissions	Energy indirect emissions	Direct emissions and energy indirect emissions
Nangang Station	8.4443	9,212.8975	9,221.342
Taipei Station	26.6265	7,440.0742	7,466.701
Banqiao Station	2.3075	5,955.6204	5,957.928
Taoyuan Station	176.7281	3,241.7508	3,418.479
Hsinchu Station	150.2684	3,172.8627	3,323.131

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 4 of 6

Statement TW20/00314GG, continued

SGS

Site	Direct emissions	Energy indirect emissions	Direct emissions and energy indirect emissions
Miaoli Station	1.1196	1,213.1399	1,214.260
Taichung Station	17.1082	5,395.9971	5,413.105
Changhua Station	1.5145	1,308.9119	1,310.426
Yunlin Station	1.8522	1,433.8482	1,435.700
Chiayi Station	199.5114	2,571.4919	2,771.003
Tainan Station	74.5892	2,168.8503	2,243.440
Zuoying Station	472.0811	4,623.2918	5,095.373

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment, on a test basis, of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions.

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the period 01 January 2019 to 31 December 2019 are fairly stated.

We conducted our verification with regard to the GHG assertion of TAIWAN HIGH SPEED RAIL which included assessment of GHG information system, monitoring and reporting plan/protocol. This assessment included the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, were consistently and appropriately applied.

In SGS's opinion the presented GHG assertion

- is materially correct and is a fair representation of the GHG data and information, and
- is prepared in accordance with ISO14064-1:2006 and TW EPA Guidelines for GHG Validation and Verification (2010.12) on GHG quantification, monitoring and reporting.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 5 of 6

Statement TW20/00314GG, continued

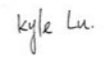
SGS

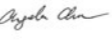
Confidentiality
The reports and attachments may contain relevantly confidential information of the clients. In addition to being submitted as governmental application or certification documents, the reports and attachments are not allowed to be edited, duplicated, or published without the clients' agreement in written form.

Avoidance of Conflict of Interest
The reports and attachments are completely complied with the standards and procedures that related-authorities established. The reports and attachments of auditing process are conducted with fairness and honesty. If not, the auditing institution not only has to bear the relevant compensation duties, but also to receive legal charge and punishment.

This statement shall be interpreted with the GHG assertion of TAIWAN HIGH SPEED RAIL as a whole.

Verifier Group
Above statements coincide with auditing process with fairness and impartiality, and aim at the emission of year 2019 of clients.

Lead Verifier: 

Verifier: 

Note: This Statement is issued, on behalf of Client, by SGS Taiwan Ltd. ("SGS") under its General Conditions for Greenhouse Gas Verification Services available at http://www.sgs.com/terms_and_conditions.htm. The findings recorded herein are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at TAIWAN HIGH SPEED RAIL CORPORATION, 13F., No. 66, Jingmao 2nd Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.). This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement. Page 6 of 6

Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2020 Taiwan High Speed Rail Corporate Social Responsibility Report

The British Standards Institution is independent to Taiwan High Speed Rail Corporation (hereafter referred to as THSRC in this statement) and has no financial interest in the operation of THSRC 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 THSRC only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), 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 THSRC. 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 THSRC only.

Scope

The scope of engagement agreed upon with THSRC includes the followings:

- The assurance scope is consistent with the description of 2020 Taiwan High Speed Rail Corporate Social Responsibility Report with the following exceptions:
 - Organization greenhouse gas emissions in 2020.
- The evaluation of the nature and extent of the THSRC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

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

Opinion Statement

We conclude that the 2020 Taiwan High Speed Rail Corporate Social Responsibility Report provides a fair view of the THSRC CSR programmes and performances during 2020. The CSR report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the THSRC and the sample taken. We believe that the 2020 economic, social and environmental performance information are correctly represented. The CSR performance information disclosed in the report demonstrate THSRC's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers 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 THSRC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option 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 THSRC's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on THSRC's approach to stakeholder engagement. Moreover, we had sampled two external stakeholders to conduct interview
- interview with 25 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source

- and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- 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 sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that THSRC has continually 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 economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the THSRC's inclusivity issues and has demonstrated social responsible conduct supported by top management and implemented in all levels among organization.

Materiality

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

Responsiveness

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

Impact

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

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, THSRC and BSI have agreed upon to include in the scope. In our view, the data and information contained within 2020 Taiwan High Speed Rail Corporate Social Responsibility Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

THSRC provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the THSRC's social responsibility and sustainability topics.

Assurance level

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

Responsibility

This CSR report is the responsibility of the THSRC'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 lead 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.



Statement No: SRA-TW-2020097
2021-05-11

For and on behalf of BSI:

...making excellence a habit.™

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

GRI Index

GRI Standards	Disclosure	Corresponding Chapter or Subchapter	Page No.	Other Explanation	GRI Standards	Disclosure	Corresponding Chapter or Subchapter	Page No.	Other Explanation	
General Disclosures (Core Option)					6. Reporting Practice					
GRI 102: General Disclosures 2016	1. Organizational Profile					GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	• About this Report	2	
	102-1 Name of the organization	• About this Report	2	102-46 Defining report content and topic boundaries			• Identification and Responses to Material Topics	6		
	102-2 Activities, brands, products, and services	• Operating Bases and Services • Ticket Purchase Channels	12 28							
	102-3 Location of headquarters	• Operating Bases and Services	12	102-47 List of material topics			• About this Report	2		
	102-4 Location of operations									
	102-5 Ownership and legal form	• Identification of Stakeholders	9	102-48 Restatements of information			• About this Report • Identification and Responses to Material Topics	2 6		
	102-6 Markets served	• Operating Bases and Services	12	102-49 Changes in reporting						
	102-7 Scale of the organization	• Operating Bases and Services • Nurturing Talent and Value Cultivation	12 49	102-50 Reporting period			• About this Report	2		
	102-8 Information on employees and other workers	• Nurturing Talent and Value Cultivation	49	102-51 Date of the most recent report						
	102-9 Supply chain	• Operating Bases and Services • Supply Chain Communication and Requirements	12 35	102-52 Reporting cycle						
	102-10 Significant changes to the organization and its supply chain	• Operating Bases and Services	12	102-53 Points of contact for questions regarding the report						
	102-11 Precautionary principle or approach	• Safety Services and Responsible Transportation • Train Safety and Disaster Prevention and Response • Climate Change Adaptation	19 21 43	102-54 Claims of reporting in accordance with the GRI Standards			• GRI Index	63		
	102-12 External initiatives	• THSRC Sustainability Strategy Blueprint	13	102-55 GRI content Index						
102-13 Membership of associations	• Industry Exchange • Appendices Table 1	34 59	102-56 External assurance	• About this Report • Opinion Statement	2 62					
2. Strategy					GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	• Identification and Responses to Material Topics	6	Disclosed under topics of concern	
102-14 Statements from the senior decision-makers	• Letter from the Chairman • Letter from the President	3 4	103-2 The management approach and its components	• Transportation - Professional Transportation	19					
3. Ethics and Integrity										
102-16 Values, principles, standards, and norms of behavior	• Ethical Management and Anti-Corruption	41	Material Topics							
4. Governance					Transportation Safety Management					
102-18 Governance structure	• Corporate Governance Structure • Functional Committees	39 39	GRI 103: Management Approach 2016	103-2 The management approach and its components	• Transportation - Professional Transportation	19				
5. Stakeholder Engagement										
102-40 List of stakeholder groups	• Identification of Stakeholders	9	Operational Strategies and Performance							
102-41 Collective bargaining agreements	• Labor Relations and Employee Care	53	GRI 103: Management Approach 2016	103-2 The management approach and its components	• About Taiwan High Speed Rail Corporation	12				
102-42 Identifying and selecting stakeholders	• Identification of Stakeholders	9	GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed			• Operational Performance	16		
102-43 Approach to stakeholder engagement	• Identification and Responses to Material Topics • Quality Management Review • Customer Affirmation	6 30 31	GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	• Operational Performance • Identification of Stakeholders	16 9				
102-44 Key topics and concerns raised			Privacy and Information Security Management							
					GRI 103: Management Approach 2016	103-2 The management approach and its components	• Technology - Innovative Technology	27		
					GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Privacy and Information Security Management	30		

GRI Standards	Disclosure	Corresponding Chapter or Subchapter	Page No.	Other Explanation
Corporate Governance				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Touch - Sustainable Care	38	
	103-3 Evaluation of the management approach			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	• Ethical Management and Anti-Corruption	41	Partial Disclosure
	205-3 Confirmed incidents of corruption and actions taken			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• Corporate Governance Structure	39	
		• Nurturing Talent and Value Cultivation	49	
Legal Compliance				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Touch - Sustainable Care	38	
	103-3 Evaluation of the management approach			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	• Legal Compliance	42	
		• Neighboring Care	25	
		• Use of Water Resources and Wastewater Treatment	48	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	• Legal Compliance	42	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area			
Technological Innovation				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Technology - Innovative Technology	27	
	103-3 Evaluation of the management approach			
Customer Relationship and Quality Management				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Technology - Innovative Technology	27	
	103-3 Evaluation of the management approach			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	• Quality Management System (QMS)	29	
Employee Care and Labor Protection				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Touch - Sustainable Care	38	
	103-3 Evaluation of the management approach			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Labor Relations and Employee Care	53	

GRI Standards	Disclosure	Corresponding Chapter or Subchapter	Page No.	Other Explanation
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	• Labor Relations and Employee Care	53	Adjustments made by THSRC according to major changes in operations comply with regulatory requirements
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	• Management Mechanism and Performance	54	
	403-2 Hazard identification, risk assessment, and incident investigation	• Employee Health and Safety Management Measures	55	
	403-3 Occupational health services	• Labor Relations and Employee Care	53	
	403-4 Worker participation, consultation, and communication on occupational health and safety	• Management Mechanism and Performance	54	
	403-5 Worker training on occupational health and safety	• Employee Health and Safety Management Measures	55	
	403-6 Promotion of worker health	• Management Mechanism and Performance	54	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Management Mechanism and Performance	54	
	403-8 Workers covered by an occupational health and safety management system	• Management Mechanism and Performance	54	
	403-9 Work-related injuries	• Management Mechanism and Performance	54	
	403-10 Work-related ill health	• Management Mechanism and Performance	54	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Labor Relations and Employee Care	53	
		• Supply Chain Communication and Requirements	35	
Traffic Dispersion and Transit Services				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Transportation - Professional Transportation	19	
	103-3 Evaluation of the management approach			
Local Economic Development				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Taiwan - Enhancing Local Connection	33	
	103-3 Evaluation of the management approach			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	• Local Travel	34	
Climate Change Mitigation and Adaptation				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Touch - Sustainable Care	38	
	103-3 Evaluation of the management approach			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• Energy Conservation and Carbon Reduction for Energy Management	45	
	305-2 Energy indirect (Scope 2) GHG emissions			

GRI Standards	Disclosure	Corresponding Chapter or Subchapter	Page No.	Other Explanation
Transportation inclusiveness				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Transportation - Professional Transportation	19	
	103-3 Evaluation of the management approach			
Sustainable Supply Chain Management				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Taiwan - Enhancing Local Connection	33	
	103-3 Evaluation of the management approach			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	• Operating Bases and Services	12	
		• Localized Supply Chain	36	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	• Supply Chain Communication and Requirements	35	
Talent appointment and development				
GRI 103: Management Approach 2016	103-2 The management approach and its components	• Touch - Sustainable Care	38	
	103-3 Evaluation of the management approach			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	• Operating Bases and Services • Inclusive and Equal Employment	12 49	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	• Inclusive and Equal Employment	49	
GRI 404: Training and Education 2016	404-1 Average hour of training per year per employee	• Results of Training Programs	52	
	404-3 Percentage of employees receiving regular performance and career development reviews	• Talent Management and Motivation	52	
Resource Management				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• Use of Water Resources and Wastewater Treatment	48	
	303-2 Management of water discharge-related impacts			
	303-3 Water withdrawal			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	• Waste Disposal	48	
	306-2 Management of significant waste-related impacts			
	306-3 Waste generated			

Comparison of the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies”

Items	Corresponding Chapter or Subchapter
The content of this report shall cover the risk assessment of the relevant environmental, social, and corporate governance, and set the relevant performance indicators to manage the material topics identified.	• Sustainable Governance and Ethical Corporate Management
Corporate governance of climate-related risks and opportunities; actual and potential climate-related shocks; methods to identify, assess and manage climate-related risks; and indicators and targets for assessing and managing climate-related issues	• Low-Carbon Train Operation and Environmental Sustainability
Information on Salaries of Full-time Non-management Employees	• Nurturing Talent and Value Cultivation

Comparison of the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

Items	Corresponding Chapter or Subchapter
Chapter 1 General Principles	• Sustainability Strategies and Goals
Chapter 2 Exercising Corporate Governance	• Sustainable Governance and Ethical Corporate Management
Chapter 3 Fostering a Sustainable Environment	• Low-Carbon Train Operation and Environmental Sustainability
Chapter 4 Preserving Public Welfare	• Partner Relationship Management and Local Supply • Nurturing Talent and Value Cultivation • Carrying for Society and Developing Local Area
Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information	• About this Report
Chapter 6 Supplementary Provisions	• Identification and Responses to Material Topics



THSR

Be There | www.thsrc.com.tw