



Corporate Social Responsibility Best Practice Principles

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Chapter 1 General Principles

- Article 1 The Taiwan High Speed Rail Corporation (hereinafter referred to as "the Corporation"), based on the principle of corporate sustainability, holds corporate social responsibility as one of the major core value. To fulfill corporate social responsibility, and to promote economic, social, environmental, and ecological balance and sustainable development, and achieve sustainable operations, the Corporation adopts these Principles for compliance, taking into reference to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and relevant laws and regulations.
- Article 2 The Principles apply to the Corporation's entire operations and activities. The Corporation shall actively practice sustainable corporate development in line with international trends, as it engages in business operations. It shall also act as a responsible corporate citizen to contribute to the economic development of the country, improve the quality of life of employees, the community, and society, and enhance its competitive advantages on the foundation of corporate sustainable development.
- Article 3 In keeping with the credo "Go the Extra Mile", the Corporation combines its core resources to put corporate social responsibility into practice. It shall attentive to the rights and interests of stakeholders, rigorously promote corporate governance, public interest of society, and environmental sustainability, and incorporate into the Corporation's operational strategies and management objectives.
- Article 4 To implement corporate social responsibility, the Corporation shall abide by the following principles:
1. Implement corporate governance.
 2. Foster a sustainable environment.
 3. Maintain public interest of society.
 4. Disclosure of corporate social responsibility information.
- Article 5 The Corporation shall consider the corporate social responsibility development trends domestically and abroad and its core business operations, as well as the overall operational activity effects on stakeholders, and adopt corporate social responsibility policies, systems or guiding management principles, and concrete proposals for promoting corporate social responsibility programs.

Chapter 2 Implementing Corporate Governance

- Article 6 The Corporation complies with relevant domestic laws and regulations and the Corporation's Articles of Incorporation. To establish effective governance frameworks and relevant ethical standards to enhance corporate governance.
- Article 7 The Corporation's Directors shall exercise the due care and diligence of good administrators. The Board of Directors ("Board") shall authorize management department to handle economic, environmental, and social issues arising from operational activities. Management department shall report to the Board on the status of handling such issues. The operational and handling procedures related thereto and the individual personnel responsible for each relevant issue shall be concrete and clear.

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Article 8 The Corporation shall, on a regular basis, hold education and training courses on the implementation of corporate social responsibility.

Article 9 For sound management of corporate social responsibility, the Corporation shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and implementing corporate social responsibility policies and concrete promotional plans, and reporting on the same to the Board on a regular basis.

The Corporation shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The employee performance evaluation system shall comply with corporate social responsibility policies, and a clear and effective incentive and discipline system shall be established.

Article 10 The Corporation, based on respect for the rights and interests of stakeholders, shall establish a designated section on corporate website for stakeholders. It shall use appropriate means of communication to gain an understanding of the reasonable expectations and demands of stakeholders, and adequately respond to important corporate social responsibility issues that they may be concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 The Corporation shall comply with relevant laws, regulations and international standards to properly protect the natural environment. It shall make the most of the core capabilities of the transportation industry, offer green service, enhance the efficient use of equipment and energy, and establish environmental management systems, to promote a smart and low-carbon society, and achieve the goal of sustainability.

Article 12 The Corporation shall endeavor to utilize all resources more efficiently, to use renewable materials with low environmental impact, and to enable sustainable use of earth's resources.

Article 13 The Corporation shall establish a suitable environmental management system based on the characteristics of its industry. This system shall include the following:

1. Collecting sufficient and timely information to evaluate the impact of the Corporation's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and regularly examining the continuity and relevance of the goals and developments with respect thereto.
3. Adopting implementation measures such as concrete programs or action plans, and examining the results on a regular basis.

Article 14 The Corporation shall establish a dedicated unit or assign dedicated personnel to draft, promote, and maintain relevant environment management systems and concrete action plans, and shall regularly hold environmental education courses.

Article 15 The Corporation shall consider the environmental benefits of its operations, and promote and advocate the concept of sustainable consumption. It shall also conduct research and

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development, procurement, production, operations, and services in accordance with the following principles, to reduce the impact of the Corporation's operations on the natural environment and the public.

1. Reduce the resource and energy consumption of transportation services.
2. Reduce the emission of pollutants, toxins, and waste, and dispose of waste properly.
3. Improve the recyclability and reusability of materials.
4. Maximize sustainability in the use of renewable resources.
5. Increase the durability of equipment.
6. Increase the efficiency of services.

Article 16 The Corporation shall construct and strengthen environmental protection and treatment facilities to avoid creating water pollution, waste, air and land pollution, noise, and vibration. It shall also use its best efforts to reduce adverse impact on human health and the environment, and adopt the best practical measures and technology for pollution prevention and control.

Article 17 The Corporation shall adopt standards or guidelines generally used domestically and abroad to implement corporate greenhouse gas inventory and to make disclosures thereof.

Chapter 4 Upholding Public Welfare

Article 18 The Corporation shall comply with relevant laws and regulations and the International Bill of Human Rights, with respect to rights such as gender equality, right to work, and prohibition of discrimination.

The Corporation shall adopt relevant management policies and processes to fulfill its responsibility to protect human rights.

The Corporation shall comply with internationally recognized human rights of labor, such as freedom of association, right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, and eliminating recruitment and employment discrimination. The Corporation shall also ensure that its human resource policies do not involve differential treatment based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Corporation shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, and ensure equality and transparency in the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed, and the Corporation shall respond to an employee's grievance in an appropriate manner.

Article 19 The Corporation shall provide information to its employees to familiarize the employees with the labor laws and the rights they may have in the countries where the Corporation has business operations.

Article 20 The Corporation shall provide a safe and healthy work environment for employees, including necessary health and first-aid facilities. It shall endeavor to reduce hazards to employees' safety and health and to prevent occupational accidents.

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The Corporation shall organize safety training and health education for employees on a regular basis.

Article 21 The Corporation shall create an environment conducive to the development of its employees' careers, and establish effective training programs to foster career skills.

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

Article 22 The Corporation shall establish channels for regular two-way communication between management and employees, and entitle employees to be informed about and express their opinions on the Corporation's operations, management, and decisions.

The Corporation shall respect the rights of employee representatives to bargain with respect to working conditions, and shall provide employees with necessary information and hardware equipment to improve negotiation and cooperation among employer, employees, and employee representatives.

The Corporation shall, by reasonable means, inform employees of operational changes that might have a material impact.

Article 23 The Corporation shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Corporation shall ensure the transparency and safety of its products and services. It shall also establish and disclose policies on consumer rights and interests and enforce them in the course of business operations, to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Corporation shall ensure the quality of its products and services by following government laws and regulations and the relevant standards of its industry.

The Corporation shall follow relevant laws, regulations and international guidelines when marketing and labeling its products and services and may not engage in any deceptive, misleading, fraudulent, or other conduct that would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Corporation shall evaluate and manage all types of risks that may cause interruptions in operations, to reduce the impact on consumers and society.

The Corporation shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, and shall comply with the Personal Information Protection Act and related laws and regulations, and shall scrupulously respect consumers' right of privacy, and protect personal data provided by consumers.

Article 26 The Corporation shall assess the impact of its procurement practice on environment and community, and shall cooperate with its suppliers to implement corporate social responsibility.

Prior to engage in commercial dealings, the Corporation shall assess whether there is any record of a supplier's impact on the environment and society, and avoid business cooperation with suppliers who present any conflict with corporate social responsibility policy.

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When the Corporation enters into a contract with any major supplier, the content should include terms stipulating mutual compliance with each other's corporate social responsibility policy. The contract may be terminated or rescinded at any time if the supplier has violated such policy, and has caused significant negative impact on environment and community.

Article 27 The Corporation shall evaluate the impact of its business operations on the community, and adequately employ personnel from the locale of the business operations, to enhance community acceptance.

The Corporation shall, through commercial activities, in-kind donations, volunteer service, or other public-interest professional services, participate in community development and community education related events held by citizen organizations, charitable groups, and local government agencies, to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28 The Corporation shall disclose information in accordance with relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies, and shall fully disclose relevant and reliable corporate social responsibility information, to improve information transparency.

Article 29 The Corporation shall adopt internationally recognized standards or guidelines to produce corporate social responsibility reports, to disclose the status of its implementation of corporate social responsibility. It also shall obtain third-party assurance or verification of reports, to enhance the reliability of the information in the reports. The content of reports should include:

1. Policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility.
2. Major stakeholders and related concerns.
3. Performance results and review of the implementation of corporate governance, fostering of a sustainable environment, preserving of public welfare, and promoting of economic development.
4. Future directions for improvement and goals.

Chapter 6 Supplementary Provisions

Article 30 The Corporation shall continually monitor the development of relevant domestic and foreign corporate social responsibility standards and changes in the business environment, as a basis for examining and improving its established corporate social responsibility system, to obtain better results from its implementation of corporate social responsibility.

Article 31 These Principles and any amendments hereto, shall be implemented after they have been passed by a resolution of the Board and submitted in a report to a shareholders' meeting.