As members of the global community, let us join hands as one to map out a sustainable blueprint for the common good of our planet.

Innovation drives us forward at TSMC. It beholds the expectations of our stakeholders. As we pursue our dreams with courage and resilience, TSMC continues to empower development in 5G, Artificial Intelligence, and beyond, and to use cutting-edge technology, to paint an intelligent and connected future in which human lives are made more convenient, comfortable, and safe. We pride ourselves as a driver of a sustainable future. We galvanize each and every bit of positive energy to unleash innovation that can bring positive change that can be shared by all in a brilliant world.
As a company pursues profitability and growth, it must also be concerned with the environment, society, and corporate governance. Since TSMC’s establishment, the Company has not only strived for the highest achievements in its core business of dedicated IC foundry services, but has dedicated itself to corporate governance, and actively developed positive relationships with all stakeholders, including employees, shareholders, customers, suppliers, and society to fulfill its responsibility as a corporate citizen and pursue a sustainable future. For TSMC, the first step in corporate social responsibility is to carry out our core values demonstrate our business principles through our actions, and for every colleague to continue enhancing our three competitive advantages of “Technology Leadership, Manufacturing Excellence, and Customer Trust”. In this way, we drive beautiful changes in society and the environment through our leadership position in the industry.

Over the years, TSMC has held to its vision of uplifting society, and applied technology and innovation to help humanity overcome many challenges. The Company has taken numerous concrete actions and actively given back to society in a spirit of gratitude, and we have become a benchmark for the industry. As we strive to do our best in corporate social responsibility, we are also encouraging our employees to make innovative breakthroughs in how they think about things, and how they do things. At the same time, we are nurturing our empathy and broadening our horizons. I hope that we can have greater social participation from TSMC employees based on our professionalism, to develop more holistically as individuals.

Because of this, we established the Corporate Social Responsibility Executive Committee in 2019, teamed with senior management in many different functions to set the Company’s future CSR strategy. It is acting in tandem with the CSR Committee to drive CSR actions and cultivate CSR culture.

We had taken a fresh look at our core abilities, UN SDGs, as well as the areas where our two Foundations can make a difference and encouraging employees to use professional knowledge and passion to help the Company fulfill its social responsibility and give back to society. With that, we also revisited our 2030 goals with concrete measures to fulfill our commitment.

I would like to thank every one of our colleagues diligently doing each thing right in every corner of our company. In our CSR report, you will see how everyone took action for a sustainable future in the past year from various aspects. I hope that everyone in TSMC will take it as personal responsibility to make a full commitment. On the road towards sustainability and the common good, let us continue to drive positive changes together.

Letter from the CSR Executive Committee Chairperson

Mark Liu
Chairman and Corporate Social Responsibility Executive Committee Chairperson
Sustainability is fundamental to TSMC’s operations and we are equally committed to the long-term success of our supply chain. In 2019, all tier 1 suppliers completed self-assessments on sustainability, and all high-risk suppliers received on-site audits. We have also continued to require more from our key suppliers, requesting that they work closely with their upstream suppliers to create value in the semiconductor supply chain. What is also worth mentioning is that we are also employing digital technology for supply chain management and expanding our existing management structure. In order to raise the bar for supply chain sustainability, we are creating a “Supply Chain 360” system that can track data, integrate an online learning platform, and offer reporting channels for suppliers.

TSMC issued its first “Diversity and Inclusion at TSMC” in 2019. We hope to build an innovative and inclusive workplace where our colleagues can work safely, make the best use of their talents, and grow together with TSMC. We have also encouraged our employees to deepen their participation in society. Our colleagues have served 17,593 times and devoted 83,797 hours in volunteer service this year. Through the TSMC Foundation and TSMC Charity Foundation, we are advocating for the disadvantaged, filial piety, education in underserved areas, youth, arts & culture, and environmental protection through a diverse range of programs. We hope to light all corners of society by harnessing the power of making 1+1 greater than 2.

TSMC believes that a company exists to bring positive changes to our world. We know that the future is filled with challenges, but we will always stay true the cornerstones of TSMC – Integrity, and Responsible Operations. With each and every TSMC employee steadfast at their roles, we believe that beautiful changes can continue to happen. It is a beautiful virtuous cycle that will continue to energize TSMC’s march towards sustainability.
Sustainability at TSMC

**World’s largest dedicated semiconductor foundry**

- **910 GWh**
  Leading semiconductor manufacturer in Taiwan, with 910 GWh of Renewable Energy, Renewable Energy Certificates (REC), & Carbon Credit purchased
- **97.8%**
  2019 reduction rate of volatile organic compounds reached 97.8%, exceeding 95% for five consecutive years
- **8.6** Trillion (NT$) Market capitalization
- **97.8%**
  The first semiconductor company to receive carbon credits under the TM002 Method
- **690** GWh
  Leading semiconductor manufacturer in Taiwan, with 910 GWh of Renewable Energy, Renewable Energy Certificates (REC), & Carbon Credit purchased
- **96%**
  2019 waste recycling rate reached 96%, exceeding 95% for five consecutive years; The percentage of waste sent to landfills has been less than 1% for ten years in a row

**ECONOMY**

- **8.5%**
  Continued to expand R&D, 2019 expenditures in R&D totaled USD$2.96 billion, equivalent to 8.5% of the year’s total revenue
- **53.9%**
  Total shareholder return

**ENVIRONMENT**

- **910 GWh**
  Most LEED certified semiconductor industry architecture area in the world
- **584,830,008** (NT$)
  Total investments in social participation

**SOCIETY**

- **31 Months**
  In 2019, annual compensation for newly graduated engineers employed by TSMC in Taiwan with a master’s degree was equivalent to around 31 months of salary, exceeding industry standards
- **221,935**
  Number of beneficiaries of social engagement
- **83,797** Hours
  Dedicated to volunteer service

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## Awards, Recognitions and Ratings

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