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# 1 | Letter from the Chairman



**Morris Chang**  
Chairman

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As the world's largest dedicated IC foundry, TSMC is keenly aware that as a company grows bigger, it also exerts a greater influence on industry and society. We place great importance upon integrity, respect the rule of law, and hope that the way we do business serves as a benchmark for sustainability and a positive force in society.

The goal of TSMC's corporate social responsibility is to make society better. Over the past 27 years, we have striven for the highest achievements to maximize economic value-added with effective strategy and quality management. At the same time, in our everyday operations we hold fast to business ethics, insist on integrity, obey the law, oppose corruption, and abhor cronyism. TSMC serves as an example and sets the tone for society, seeking to raise the standards of ethics, business, and rule of law.

#### **Focus on Corporate Governance and Balancing the Interests of Stakeholders**

TSMC greatly values corporate governance, and endeavors to balance the interests of shareholders, employees, society, and all stakeholders. In our industry's ever-changing competitive environment, we work together with our customers and suppliers to stimulate unceasing innovation and create more products that help the public enjoy better quality of life and work more efficiently. We share our success with partners in our value chain, and maintain good relationships with our shareholders, employees, society, customers, suppliers, and other stakeholders to ensure that all of their interests are balanced.

#### **Living a Happy, Balanced Life, and Commitment to Charity**

TSMC's vision for society is one that works together towards sustainable development, equality and justice, and a harmonious environment to live and work, and we create employment opportunities by providing good jobs.

In 2014, we recruited 5,500 new employees worldwide through fair, open, and impartial processes. We are committed to offering total compensation that is above the industry average, and creating a challenging, safe, and comfortable work environment with opportunities for continuous learning. At the same time, we wholeheartedly promote work/life balance so our colleagues can enjoy a happy and fulfilling life.

Apart from work, we also encourage our employees to participate in society. The TSMC Education and Culture Foundation provides long-term support to educational and cultural activities, while the TSMC Volunteer Association provides long-term care to communities to serve society in a meaningful way. The TSMC Volunteer Society has expanded quickly over the past several years, growing 68% in 2014 to reach 3,200 people.

When the Kaohsiung City Gas Explosion occurred in August 2014, TSMC responded immediately to society's needs, and invited our supplier partners to join the reconstruction effort. Once reconstruction came to a close, we were honored to have received many accolades from the public, a testament to how we have made society better.

#### **Caring for the Earth and Generations to Come**

TSMC responds to global climate change by actively conserve energy and reducing carbon emissions. Currently, TSMC has earned international green building certification for 16 of our 300mm fabs, and also helped two suppliers gain certification in 2014.

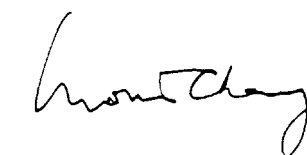
Even as our wafer production grew 2.5 times in the past 10 years, TSMC has achieved a 6% reduction in power consumption and 30% reduction in water consumption per unit of wafer area, and also met an extremely challenging target for reducing perfluorinated compounds (PFCs). We have already set new medium to long-range environmental goals: For each unit of production, TSMC will cut PFC emissions by 30%, greenhouse gas emissions by 18%, power consumption by 12%, and water consumption by 30% from 2010 levels by 2020. We also aim to maintain a waste recycling rate of more than 95%.

As a leader in green manufacturing, TSMC actively promotes a green supply chain, and took the initiative to join the Electronic Industry Citizenship Coalition (EICC) in 2014. TSMC is systematically applying the EICC code of conduct to management and compliance in environmental protection, health, safety, risk management, labor rights, and ethics. We are also extending these principles through our supply chain by guiding key suppliers to adopt EICC tools and standards. In addition, we conducted due diligence measures on relevant suppliers to ensure TSMC's commitment to procure materials from conflict-free sources.

Looking forward, we will continue to pursue a fair and good society, commit ourselves to the sustainable development of our company and society, create win-win outcomes for all of our stakeholders, and continue to serve as an uplifting force in society.

■ TSMC Corporate Social Responsibility Matrix  
TSMC Social Responsibility: Uplift Society

	Morality	Business Ethics	Economy	Rule of Law	Sustainability	Work/Life Balance Happiness	Philanthropy
Integrity	●	●					
Law Compliance				●			
Anti-Corruption Anti-Bribery Anti-Cronyism	●	●		●			
Environmental Protection Climate Control Energy Conservation				●	●		
Corporate Governance		●	●	●			
Provide Well-paying Jobs			●			●	
Good Shareholder Return			●				
Employees' Work-life Balance						●	
Encourage Innovation		●	●				
Good Work Environment						●	
Volunteers Organization					●	●	●
Education and Culture Foundation							●



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