



Talent Development

▼ Achieved ▲ Exceeded — Missed Target

Strategies

2030 Goals

2021 Targets

2020 Achievements



Facilitate Self-learning

Provide diverse learning resources and channels to encourage self-learning among employees. This will enhance individual performance and potential

- Non-required courses on the e-Learning Platform offered by the Self-Directed Learning Program shall register a usage rate of at least **60%**

- Self-learning shall account for no less than **50%** of learning programs designed for the specific needs of organizations

- The number of usage for self-learning resources is no less than **50,000**

- Self-learning accounted for **64.4%** of learning programs designed for the specific needs of organizations
Target: 50%

- The number of usage for self-learning resources over **50,000**

- Continued to support new fab personnel in achieving a **100%** completion rate for courses such as "Advanced Training on Wafer Processes", "Physics of Semiconductor Devices", "Professional Development for Process Engineers", and "Four Lessons on Quality"
Target: 100%



The 2030 sustainable development goal of Talent Development at TSMC is aimed at ensuring that employee skillsets remain relevant, supporting long-term TSMC growth, and promoting lifelong learning among employees. In the next decade, TSMC will enhance on-the-job training, offer diversified learning resources, and build comprehensive self-learning programs to promote self-learning among employees, enhance the learning agility of organizations, and help employees grow. To these ends, TSMC has formulated the strategy to promote self-learning. Furthermore, since self-learning has accounted for more than 64.4% of learning programs, the Company is setting new goals aimed at encouraging employees to take advantage of online elective courses. In addition, TSMC has also established a talent development framework and encourages employees to rotate within the organization to develop comprehensive capabilities.

Fulfill Talent Development

Promoting self-directed learning is the important strategy for talent development at TSMC. To facilitate self-learning, TSMC is dedicated to raising employee awareness on self-learning and encouraging them to use diverse learning resources and tools. Employees are encouraged to engage in learning activities that align with the Company's growth, organizational needs, and personal performance at any time or place and of any form. Employees should continue to progress their self-efficacy at work and galvanize energy for Company growth and social progress. In addition, TSMC has proactively implemented on-the-job training and certification systems, allowing employees to learn and improve their work performance in the workplace. The Company not only systematically designs job rotation

programs to cultivate future talent, but also encourages its employees to complement their career plans with the Company's organization development, so as to allow them to utilize their talents and grow.

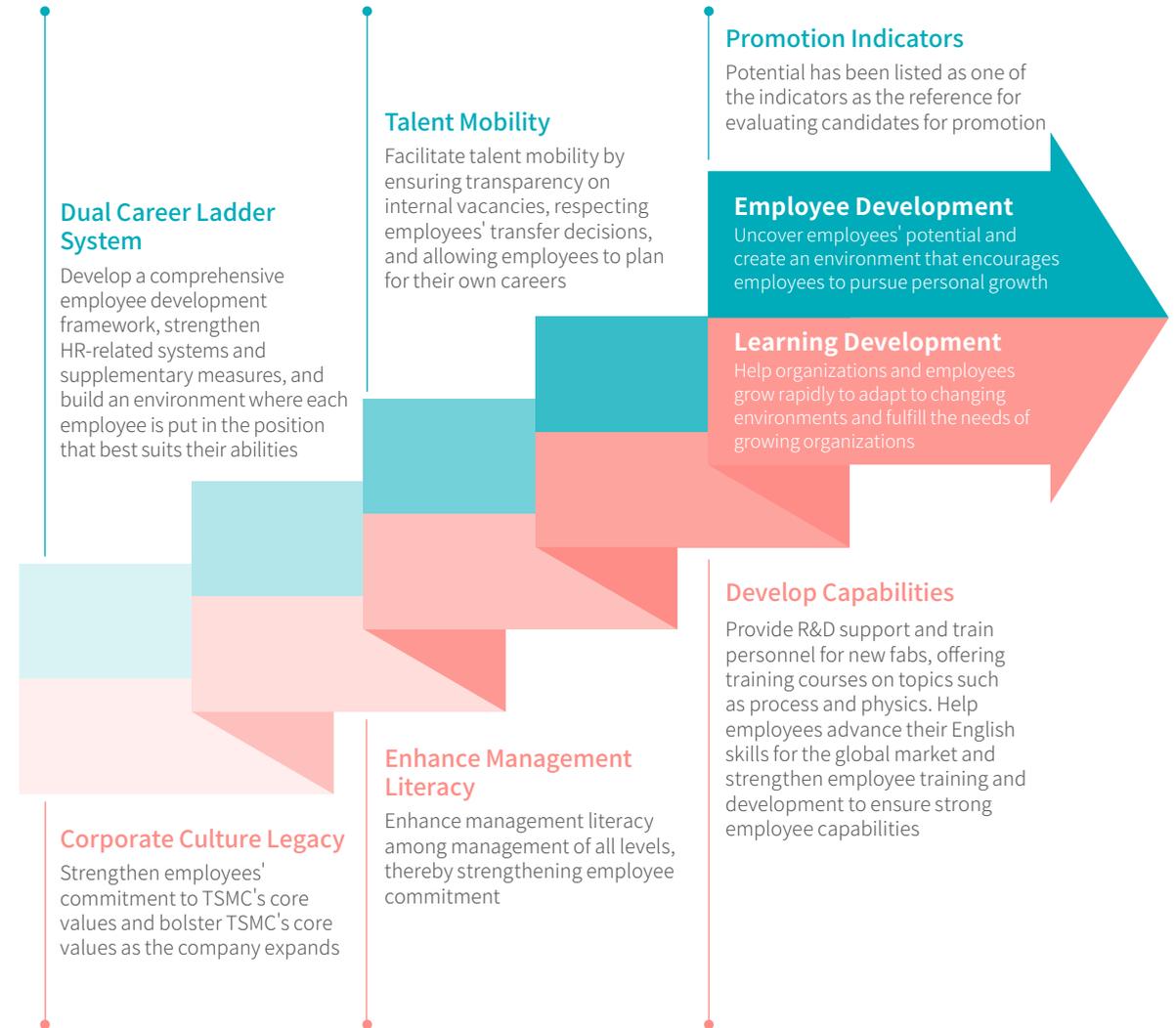
Transparent System for Employee Development and Job Rotation

TSMC offers a comprehensive framework for employee development, whereby a dual career ladder system covering both management and technical positions allows employees to explore their full potential in either of the two types of positions according to personal characteristics and skills. For example, the selection process for TSMC Academy Fellows and Academicians identifies employees dedicated to scientific research and ensure that they are unencumbered by managerial tasks so that they can devote more time to breakthrough research and their fortes.

Furthermore, the promotion system in the employee development framework is based on two major principles: transparency on internal vacancies and respect for employees' transfer decisions. It considers development potential as an important indicator for evaluating candidates for promotion. A handbook on promotion procedures and numerous [relevant tools](#) are offered to managers to help them assess candidate potential.

In 2020, 34.3% of managers and 26.9% of professionals were transferred or rotated for individual development or due to organizational development. The Company's expansion led to an increasing number of new recruits in 2020 and a reduced percentage of only 45.2% vacancies filled through internal transfers than [the previous year](#).

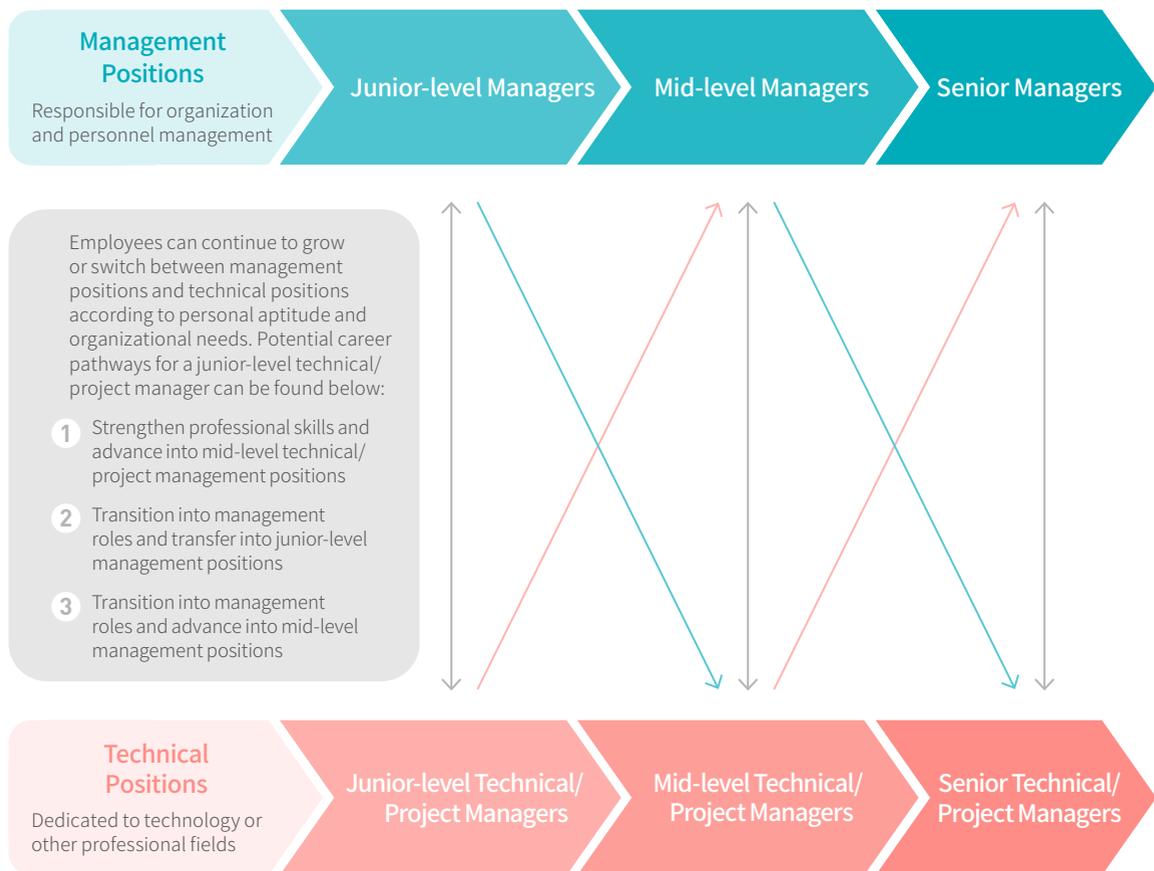
Human Resource Development Strategies



While there is a decrease, TSMC remains dedicated to internal talent mobility and developing well-rounded leaders. Therefore, we will continue reinforcing the dual career ladder system, uncovering employee potential based on competencies and personal preference, and

ensure internal job rotations by maintaining that 50% of vacancies shall be filled through internal transfers. Our commitment to internal job rotations is driven by our hope to meet rising demands from organizational growth but also a need for personal career development.

Employee Development Framework-Dual Career Ladder System



Key Development Objectives

Target	2020 Enforcement Report
<p>Dual Career Ladder System</p> <p>Develop a comprehensive employee development framework, strengthen HR-related systems and supplementary measures, and build an environment where each employee is put in the position that best suits their abilities</p>	<ul style="list-style-type: none"> ✓ Clarified the differences between management jobs and technical jobs, and introduced performance appraisal and development procedures ✓ Provided different training courses for managers and technical/professional managers ✓ Regularly selected Fellow and Academician of TSMC Academy to support the career development of technical staffs
<p>Talent Mobility</p> <p>Facilitate talent mobility by ensuring transparency on internal vacancies, respecting employees' transfer decisions, and allowing employees to plan for their own careers</p>	<ul style="list-style-type: none"> ✓ Established related managerial policies of internal job position transparency and job transfer effectiveness among transfer procedures. Helped managers better understand and implement regulations via communication ✓ 34.3% of managers and 26.9% of professionals were transferred or rotated due to either individual or organizational development
<p>Promotion Indicator-Employee Potential</p> <p>Potential has been listed as one of the indicators as the reference for evaluating candidates for promotion</p>	<ul style="list-style-type: none"> ✓ Clarified the definition of "Potential" and its evaluation method to make it one of the criteria for promotion ✓ Completed the promotion procedures handbook and related tools to help managers conduct potential evaluation for employee promotion
<p>Strengthen Technical Capabilities</p> <p>Restructured the Technical Board to enhance matrix management capabilities and tracked progress for the five major tasks</p>	<ul style="list-style-type: none"> ✓ Talent Exchanges: 161 employees exchanged at different fabs and conducted a learning journey that lasted six months to one year ✓ Recruiting Experts: Recruited a total of 15 technical supervisors for special programs ✓ Assemble Expert Team: Selected 415 experts to form an expert team that aims to resolve long-term engineering issues across different fabs ✓ Resolve Long-term Engineering Issues: Resolved over 247 long-term engineering issues ✓ Host Technical Trainings: Held 1,058 technical trainings to 83,774 participants

Diverse and Equal Opportunities for Learning and Development

The Company's growth is inextricably connected to our employees' personal growth. Self-learning can not only enhance work performance but also give employees the opportunity to contribute to social progress in daily life. TSMC designs employee learning and development programs based on three key elements: goal, plan, and discipline. The Company is committed to building a diverse and equal learning environment that encourages

continuous learning and offers rich content. It has also formulated the TSMC Employee Training and Education Procedures to integrate internal and external resources, enhance employee capabilities, and help employees and Company grow with society.

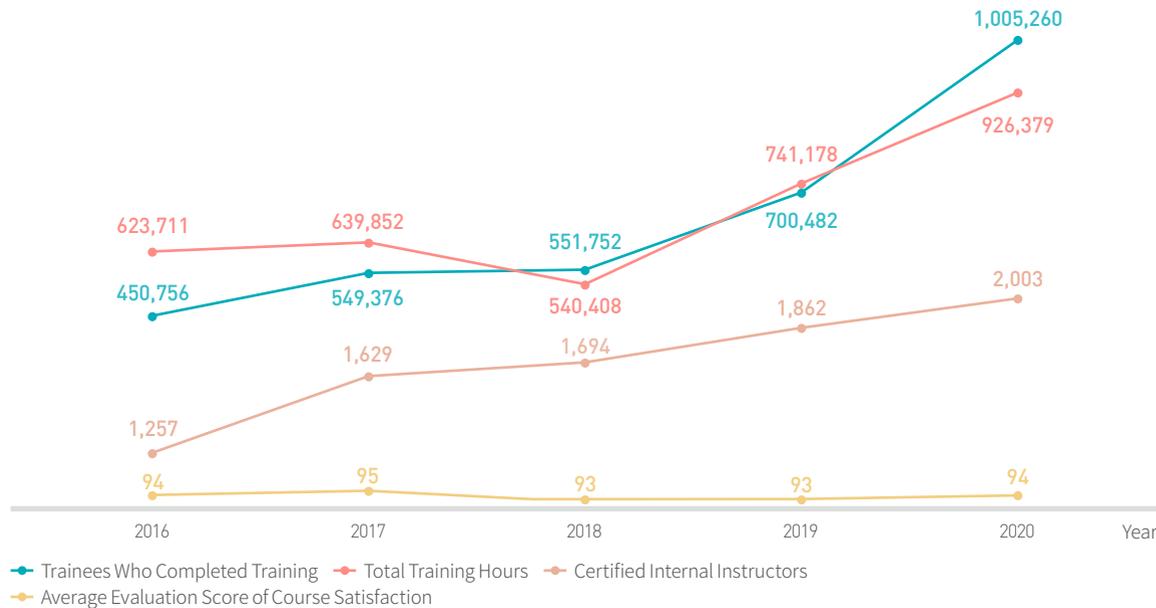
TSMC's employees set individual development plans according to personal requirements, mid-year and year-end performance review, and career development goals. The individual development plans form one of the bases on which the Company's annual training program is designed.

In 2020, employee performance assessment registered a completion rate of 100%. In the same year, TSMC provided over 920,000 hours of training programs and activities for learning and development to over 1 million participants. Each employee received, on average, over 16 hours of training and training expenses exceeded NT\$95 million.

To ensure the effectiveness of training programs, TSMC measures the outcome with four levels of evaluation—reaction, learning, behavior, and results—based on the theory proposed by American scholar Donald L. Kirkpatrick.

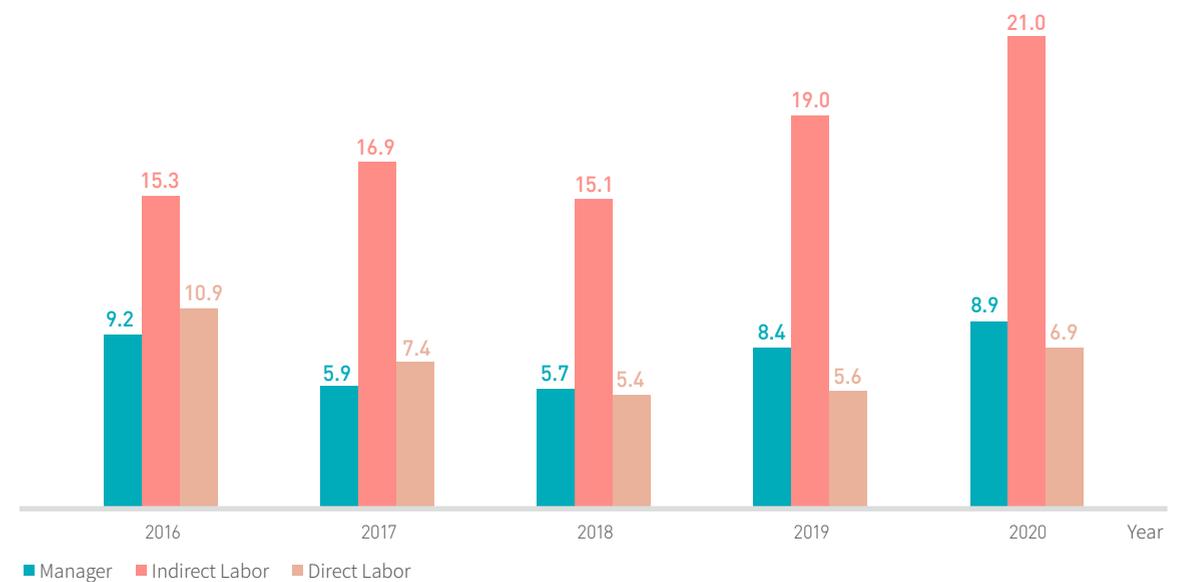
In 2020, all open courses were evaluated on the reaction level, including contents, instructor, administration, and satisfaction scores. The courses received an overall satisfaction score of 94 (the total score is 100). A total of 850,000 participants completed 3,500 online courses and learning evaluations. 8% of the training courses were further evaluated on the behavioral level. Most on-the-job training offered by internal organizations were further evaluated at the learning and behavioral level, and evaluations at the results level have been built into the employee performance management and development system.

Historical Training Index



Note: Due to the design differences between training systems, the average evaluation score excluded data from TSMC North America.

Average Hours of Training per Employee





2020 Key Objectives for Learning and Development Programs

To continue targeting the strategy of promoting self-learning, TSMC is assisting employees in advancing their studies in their professional domain while extending their reach to other domains. To reach to this goal, TSMC is offering self-learning resources for employees to learn at any time and place.

 <h3>Professional Training for Engineers/ Junior-level Managers</h3> <p>Deepen engineers'/junior-level managers' domain knowledge in front-end/back-end processes and instill quality awareness through actual classes, self-learning, co-learning, and hand-on operations</p>	 <h3>Self-learning</h3> <p>Develop mobile learning applications and e-Learning systems that enable employees to learn at any time and place</p>	 <h3>English Skills</h3> <p>Strengthen TSMC employees' English skills to support our goals of a globalized operation model and talent development</p>
<p>Progress</p> <p>Advanced technical courses executed by fab-level managers</p> <ul style="list-style-type: none"> Advanced Training on Wafer Processes Professional Development for Process Engineers Four Lessons on Quality Physics of Semiconductor Devices 	<p>Progress</p> <ul style="list-style-type: none"> Launched mobile learning applications so that employees can use mobile phones to engage Self-learning at all times Strengthen functions on e-Learning platform to allow employees to share and recommend courses among each other and foster a culture of Self-learning Launch a Self-learning Bar that offers specific subjects and themed online learning resources 	<p>Progress</p> <p>English program includes</p> <ul style="list-style-type: none"> Online English Webinar English Workshops One-on-one English Consultation English Learning Website English Book Fair
<p>2020 Enforcement Report</p> <ul style="list-style-type: none"> 100% ✓ Advanced Training on Wafer Processes 100% ✓ Professional Development for Process Engineers 100% ✓ Four Lessons on Quality 100% ✓ Physics of Semiconductor Devices 	<p>2020 Enforcement Report</p> <ul style="list-style-type: none"> Launched ✓ Mobile Learning Application ✓ E-Learning 2.0 6,500 Visits ✓ 6,500 Visits to <u>Self-learning Bar</u> 	<p>2020 Enforcement Report</p> <ul style="list-style-type: none"> > 14,000 ✓ Sign-ins to Online English Webinar > 400 ✓ Participants at English Workshops > 80% ✓ Usage Rate of One-on-one English Consultation 300-500 ✓ Average Visit/Day to the English Learning Website 76% ✓ Increase in Language Books Sold