Common Good

The Power to Change Society

With the mission of uplifting society, TSMC diligently strives to carry out the responsibilities of a good corporate citizen through the TSMC Education and Culture Foundation as well as the TSMC Charity Foundation. Our actions include supporting culture and arts, promoting aesthetic appreciation, caring for the livelihood and education of the underprivileged, and actively revitalizing traditional values of filial piety. By integrating the internal and external resources of the Company and its employees, we hope to bring positive changes in society.

Our Social Investments

Motive for Contribution

<table>
<thead>
<tr>
<th></th>
<th>Charitable Donations</th>
<th>Community Investments</th>
<th>Commercial Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.74%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.86%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50.40%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How We Contributed (NT$)

<table>
<thead>
<tr>
<th></th>
<th>Cash Contribution</th>
<th>Time</th>
<th>In-kind giving</th>
<th>Management Overheads</th>
</tr>
</thead>
<tbody>
<tr>
<td>301,223,746</td>
<td>172,238,814</td>
<td>258,777,002</td>
<td>15,486,610</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>747,726,172 (NT$)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Our social investments include endeavors made by the Company (e.g. University Collaboration Programs, etc.), TSMC Education and Culture Foundation, TSMC Charity Foundation, and TSMC employees (volunteer services and charity donations).
Focus One: Promote Arts and Culture
- We aim to improve the aesthetic appreciation and humanistic literacy in our society, thereby keeping our traditional classical arts heritage alive, stimulating our arts environment and enriching the spiritual life of the people.

Focus Two: Support Youth with Multiple Educational Platforms
- We cultivate the abilities in aesthetic judgment, critical thinking and expression in students, we offer resources and assistance to encourage the young generation to think laterally and realize their dreams courageously.

Focus Three: Care for the Educationally Disadvantaged
- We expect to reduce the social costs brought on by educational inequality so that children of all socio-economic backgrounds and of different family environments can enjoy quality education alike.

Focus Four: Care about the Disadvantaged
- Listen to the needs and provide direct help; increase underprivileged groups’ level of education and living.

Focus Five: Take Care of Elder People
- Proactively track the status of elder people who live alone in Taiwan, increase the service scope and number of low-income people benefited from our service.

Focus Six: Promote Filial Piety
- Promote filial piety through education and mass media, reduce the needs of taking care of elder people who live alone from the root.

Social Impact

Cultivate Taiwan’s excellent arts and culture groups, improve the arts environment in our society

Establish scientific and aesthetic literacy in youths

Eliminate urban-and-rural educational gap

Increase underprivileged group’s education and living level

Increase health and well-being of elder people who live alone

Increase younger generation’s awareness of filial piety

Reduce environmental impacts

Increase students’ awareness of environmental protection

Philanthropy Drivers

- UN Sustainable Development Goals (SDGs)
- TSMC Corporate Social Responsibility Policy
- Needs in Taiwan society

Since its founding in 1987, TSMC has thrived and grown with the support of society. We reciprocate by doing our utmost to realize a prosperous society. TSMC has integrated its cross-departmental resources and strengths, abiding by the vision and principles of the “Corporate Social Responsibility Policy”, and actively contributes towards the United Nations Sustainable Development Goals (SDGs). The SDG 1 (No Poverty), SDG 3 (Good Health and Well-Being) and SDG 4 (Quality Education) are increasingly seen as our primary directions of social participation. By setting long-term targets and actions, SDGs are incorporated in our organizational operations.

TSMC strings two important pillars in uplifting society. The “TSMC Education and Culture Foundation” strives to deepen education, enrich artistic pursuits and passes on the torch of culture to all corners of Taiwan. With love at its core, the “TSMC Charity Foundation” has long been concerned about the needs of the disadvantaged and the elderly who live alone. The Foundation also spares no efforts in promoting filial piety and protecting the environment, with the expectation of gathering more warmth and philanthropy.

Stemming from a desire for a bright future, TSMC endeavours to bridge the gap in resources, strengthen the power of goodness, and serves as a positive force in society.
TSMC Education and Culture Foundation

Caring for the Educationally Disadvantaged
Narrowing the urban-rural gap in cooperation with in-system/out-system and different-sized educational institutions.

Supporting Youth with Multiple Educational Platforms
Regularly holding competitions of humanity and science to guide teenagers to explore their development direction beyond the regular education.

Promoting Arts and Culture
Continuously organizing "Hsinchu Arts Festival" and sponsor at least five artists or teams in Taiwan per year.

Strategies

TSMC 2020/2025 Goals

- Continuously providing resources and cooperate with in-system and out-system educational institutions. Contribute not less than NT$10 million per year. 2020
- Continuously holding competitions of humanity and science with not less than 500 contestants in each. 2020
- Continuously organizing "Hsinchu Arts Festival" and sponsor at least five artists or teams in Taiwan per year. 2020
Collaborated with "Teach for Taiwan" to support young teachers going into rural areas

Target: Add one more external educational partner

\[452\] (23.4% Growth) 
“TSMC Youth Calligraphy Contest” contestants

Target: No less than 366 contestants (previous year)

\[616\] Note 
“TSMC Youth Literature Award” articles

Target: No less than 628 articles (previous year)

\[36\] 
Hsin-Chu Arts Festival Events

Target: No less than 30 events

\[20,000\] 
Hsin-Chu Arts Festival attendees

Target: No less than 20,000 attendees

Plan "mentor" program for the Rising Sun Scholarship. In addition to providing financial support, this program also gives guidance on learning and life activities

The contestants of each contest are not less than those of the previous year

Sponsor at least five artists or teams in Taiwan

Note: The TSMC Education and Culture Foundation will strengthen the promotion of “TSMC Youth Literature Award” on campus in the future
Education is the foundation of a country, and culture is the soul of a society. TSMC values education and culture, and uses diverse educational programs and moving artistic performances by the TSMC Foundation to fill gaps in regular education, to uplift the spirit of citizens, and to make our society more beautiful.

The TSMC Education and Culture Foundation (TSMC Foundation), chaired by TSMC’s Vice Chairman F. C. Tseng, was founded in 1998. In 2017, the TSMC Foundation contributed nearly NT$76.8 million into three main areas of our core concerns: caring for the educationally disadvantaged; supporting youth with multiple educational platforms; and promoting arts and culture to fulfill the firm’s corporate social responsibility.

The TSMC Foundation established a website www.tsmc-foundation.org to offer the public online lectures, activity information, and details of the Foundation’s projects.

Sponsorship by the TSMC Education and Culture Foundation in 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>7,353</td>
<td>6,410</td>
<td>6,841</td>
<td>7,581</td>
<td>7,679</td>
</tr>
<tr>
<td>Communities</td>
<td>4,774</td>
<td>5,709</td>
<td>5,500</td>
<td>5,900</td>
<td>5,400</td>
</tr>
<tr>
<td>Volunteer Program</td>
<td>582</td>
<td>552</td>
<td>579</td>
<td>589</td>
<td>589</td>
</tr>
<tr>
<td>Others</td>
<td>223</td>
<td>209</td>
<td>209</td>
<td>231</td>
<td>231</td>
</tr>
<tr>
<td>Art Events</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Total (NT$)</td>
<td>76,79</td>
<td>75,81</td>
<td>76,41</td>
<td>77,58</td>
<td>77,67</td>
</tr>
</tbody>
</table>

Sponsorship by the TSMC Education and Culture Foundation in 2013–2017

Caring for the Educationally Disadvantaged

Since 2004, the TSMC Foundation has become the founding charity partner of ‘Hope Reading’ with the CommonWealth Foundation. Every year 100 excellent reading materials are sent to 200 elementary and high schools in the remote rural areas. A total of 230,000 books have been donated and over 260,000 school children have benefited from this initiative.

If we can give one kid a leg-up, we lift one kid out; if we can inspire the passion of one teacher, we spark the fireworks.

Cathy Ling   Secretary-general, CommonWealth Foundation

Supporting Youth with Multiple Educational Platforms

It’s the tenth year of “TSMC Youth Calligraphy and Seal-Carving Competition”. Apart from offering a platform for young creators to exchange and learn from each other, we invite calligraphy and seal-carving masters all over Taiwan to participate in the event. Through feature reports in the newspapers, workshops and work exhibition, we bring the beauty of calligraphy to campus and everyday life.

Mastering calligraphy is just like being human, and it takes a whole life to grasp. In order to gain a foothold in the sea of calligraphy one has to put one’s best foot forward in life.

Ming-de Chen   Calligraphy Master

Promoting Arts and Culture

Traditional theatres encompass profound humanistic foundation and historical contents and are the common cultural memories for a whole generation. Every year TSMC Hsinchu Arts Festival brings a series of exceptional arts and cultural performances and exhibitions to many audiences. The Arts Festival is dedicated to promoting traditional classical arts so that more people can experience the charms of the theatre.

After the catharsis of cultural rituals, you will experience a kind of elevation, purification and therefore you will want to pay heart-felt homage to cultural heritage.

Hsien-Yung Pei   Writer
Caring for the Educationally Disadvantaged: Invest Educational Resources; Eliminate Urban-and-rural Gap

The 2012 Programme for International Student Assessment (PISA) report points out that Taiwan tops all economies and countries in the academic performance disparity between the top and lower bottom students, and the lower bottom students’ performance are deeply affected by their socio-economic background. Research on education in Taiwanese remote rural areas commissioned by the National Development Council in July 2016 also indicates that in Taiwan the educational gap between the urban and the rural continues to widen. Despite a series of reformatory measures by the government, resources investing in the rural areas still evidently fall short, while corporate investment in education will help improve the overall educational environment.

Educational gap has resulted in various social costs and will require attention from all sides. While the causes of inequality are multiple and complex, the TSMC Foundation sponsors diverse educational support initiatives in order to respond to demands at various levels. The “Hope Reading” program encourages teachers of elementary and high schools within the system in the remote rural areas to create feature curriculum and promote reading and digital learning. “Teach For Taiwan (TFT)” calls for young people with a sense of mission and passion to teach full-time and make up for the lack of teachers in rural areas. “Junyi Academy” deploys technology to build a free and excellent educational platform for underprivileged students and to provide the teachers on the front line customized teaching tools that ease their teaching burden. Moreover, in order to eliminate the urban-rural gap, the TSMC Foundation has long been funding a series of school tours, including “TSMC Aesthetic Tour” and “TSMC Science Tour” and financing the Boyo Social Welfare Foundation’s after-school programs, Rising Sun Scholarship of Tsing Hua University and Sunflower Scholarship of Central University.

Hope Reading 2.0

In response to the waves of digitalization, the TSMC Foundation reacts to the initiatives of “Hope Reading 2.0” project and provides digital carriers to schools which run the pilot projects, in stages. Apart from guiding pupils to learn programing languages with “Cloud Professor”, “Hope Reading 2.0” further introduces digital learning system and encourages school kids to read. 545 participating children from 11 schools running pilot projects have read 10,000 recommended books in four months. The pupils at these schools have apparently formed a better reading culture.

Change brought about to Songlin Elementary School by “Hope Reading 2.0”

Their feature curriculum has attracted enrolment from other school districts; the number of overall students has risen from 50-plus to 90 and thereabouts.
School kids at the Yunlin Jeeng-min Elementary School are experiencing the online courses of Yunyi Academy during senior high school and college, young people are actively shaping their identities and exploring the outside world. At the senior high school stage, the TSMC Foundation offers extracurricular opportunities for teenagers to grow in sciences and humanities through hosting diverse competitions, camps, and lectures. At the college stage, the Foundation provides scholarships and support to encourage the students to head for their life goal and realize their dreams.

A survey conducted by the Child Welfare League Foundation in 2017 points out that, apart from teaching, nearly 70 percent of the teachers in the remote rural areas have to be surrogate parents to perform family functions. Teachers have profound impact on school children from underprivileged background; however, schools in the remote areas often struggle to find qualified teachers. Therefore, the TSMC Foundation teams up with “Teach for Taiwan” and “Junyi Academy” to support young people with ideals and leadership to teach in the remote rural areas; moreover, the Foundation offers digital learning tools to ease the teachers’ burden.

The TSMC Foundation supports the full-time teaching project proposed by ‘Teach for Taiwan’. This project engages young people to devote themselves to teaching at elementary schools with teacher shortage in the remote rural areas and offers the recruits professional training and support system, channelling talents into the teaching scene. A total of 37 teachers were sent out into service in 2017, and five of them were sponsored by the TSMC foundation, each recruit receiving NT$300,000 and the foundation donated NT$1.5 million in total. As a result, we hope more underprivileged school children can enjoy quality education.

After a year’s collaboration, so far Junyi Academy has accumulated 5,952 film clips, 28,257 exercise questions, and 800,000 users on its platform. Research has further discovered if a student logs on to the Junyi platform for 15 minutes per day, they can raise further 14.2 percentage level on their TASA score. This free and open cloud platform can assist the teachers to customize their teaching and help the children to achieve academic success.

Supporting Youth with Multiple Educational Platforms: Build Educational Platforms; Encourage the Youth to Follow Their Dreams

During senior high school and college, young people are actively shaping their identities and exploring the outside world. At the senior high school stage, the TSMC Foundation offers extracurricular opportunities for teenagers to grow in sciences and humanities through hosting diverse competitions, camps, and lectures. At the college stage, the Foundation provides scholarships and support to encourage the students to head for their life goal and realize their dreams.

For the first time we moved the spotlight event to Lukang, Changhua county. Echoing the local cultural heritage, we invited students to scribe classic calligraphic inscriptions and form the biggest jigsaw composed of Chinese characters in Taiwan. The competition now includes two new categories: the “seal characters” and an additional “Scribes’ Group” with extra prizes in order to encourage young people to learn calligraphy. The competition-and-campaign has attracted nearly 800 participants in total.

We held Dream Builders of Youth Forum, and inspired 400 members of audience. The second TSMC Dream Builders of Youth attracted 66 teams from colleges across Taoyuan, Hsinchu and Madi. At the final stage, the 3-million-Dream-Builder-Prize has been awarded to 6 teams.

We have received 616 manuscripts of fiction, modern poetry, prose and internet composition. Vote for ‘the young’s favorite author’ to paying homage to established writers: this year writer Zhen Jian has won the award.

It was the first time we utilized popular science fiction and television dramas to make scientific short talk more comprehensible in everyday context, which further attracted the public’s attention. Take mathematics for instance, we attracted 700 students from 9th grade to 12th grade to participate, who have formed 212 teams.
Ministry of Culture Arts and Business Awards
"Arts and Culture Talents Cultivation Award"

The premier honor for institutions, awarded by the government's highest cultural institution.

TSMC Dream Builders of Youth: Dream Builders of Youth Forum

In order to broaden the young people’s horizon of dream-building, the TSMC Foundation holds a special ‘Dream Builders of Youth Forum’ and invites veteran media figure Cathy Ling as the host to lead the short talks and conversations between three pioneering dream-builders and the first three dream-builder teams, and share their moving behind-the-scene dream-building stories with 400 college freshmen and the public. The three pioneers are the founder of Taiwan Black Bear Conservation Association and also the protagonist in the documentary Black Bear Forest, Mei-Hsiu Hwang; the peripatetic artist Belle Chuang, who has traveled to over 20 countries with her painting; the youngest itinerant large animal veterinarian and also co-founder of ILoveMilk, Chien-Chia Kung. The three first dream-builder teams are After Orchid, Dear Storyteller and Kitchen-Troop. In the meantime, the TSMC Dream Builders of Youth Forum responds to societal expectation via questionnaire where the public and the college students are asked of their opinions on the project.

"Arts and Culture Talents Cultivation Award" of Arts and Business Award of the Ministry of Culture. Achievements gleaned from TSMC Youth Calligraphy and Seal-Carving Competition and TSMC Youth Literature Award

Calligraphy is a unique artistic heritage of Chinese culture. It embodies the long historical spirits of the Chinese characters. Since 2008 the TSMC Youth Calligraphy and Seal-Carving Competition has not only offered handsome prizes to attract brilliant young creators, but has invited top calligraphy artists to run workshops on high school campus all over Taiwan so that senior high school students have the chance to see calligraphy art and might be motivated to learn the art. Literature, on the other hand, is a way for many young lives to express themselves. The TSMC Youth Literature Award from 2004 on has offered a platform for senior high school students to exchange their works. The award-winners can meet fellow literature lovers through exchange meetings, and their works are published in the United Daily News, which has been a cradle for many writers of the new generation.

What extent do you agree with the importance to you of this lecture held by the TSMC Foundation?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>95</td>
<td>14%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Does this lecture (topic, contents and inspiration) meet your expectation?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>95</td>
<td>41%</td>
<td>52%</td>
</tr>
</tbody>
</table>

TSMC 2017 Corporate Social Responsibility Report
In 2017, the TSMC Youth Calligraphy and Seal-Carving Competition marked its tenth anniversary. This year we didn't follow the past’s footstep: centring the competition and campaigns in Taipei and Kaoshiung and hoping for the ramification into other counties. Instead, for the first time we held the spotlight event “Cultivation and Prosperity” at the Grade-III listed Wenwu Temple in Lukang, Changhua. All local parties in Changhua – Changhua County Government, Senior High School in Lukang and local artists who work in calligraphy – were happy to see this happening and took part in it. The event also invited calligrapher Chun-Chen Lin to perform the art together with the students and faculty of Lukang Senior High School to create the largest Chinese-character jigsaw in Taiwan. After all pieces of the jigsaw have been inscribed with classic calligraphy texts, they were pieced together to form a giant ten-meter-long character of ten in Chinese. This performing art has turned a new page in the history of Taiwan calligraphy art.

The Tenth Anniversary of TSMC Youth Calligraphy and Seal-Carving Competition: Writing the Largest Chinese Character Together in Lukang

The Tenth Anniversary of TSMC Youth Calligraphy and Seal-Carving Competition marked its tenth anniversary. This year we didn't follow the past’s footstep: centring the competition and campaigns in Taipei and Kaoshiung and hoping for the ramification into other counties. Instead, for the first time we held the spotlight event “Cultivation and Prosperity” at the Grade-III listed Wenwu Temple in Lukang, Changhua. All local parties in Changhua – Changhua County Government, Senior High School in Lukang and local artists who work in calligraphy – were happy to see this happening and took part in it. The event also invited calligrapher Chun-Chen Lin to perform the art together with the students and faculty of Lukang Senior High School to create the largest Chinese-character jigsaw in Taiwan. After all pieces of the jigsaw have been inscribed with classic calligraphy texts, they were pieced together to form a giant ten-meter-long character of ten in Chinese. This performing art has turned a new page in the history of Taiwan calligraphy art.

This year the rules of the Competition have been revised: apart from including the seal-character category, “Scribes’ Group” is added to encourage the young learners of the art. This change hopes to introduce the climate of Chinese calligraphy to the young generation.
The TSMC Culture and Education Foundation improves the local communities with arts and cultural events. Every year we sponsor international arts and culture exhibitions and performances, support local outstanding groups and artists, hold master talks, produce a radio program on Chinese classical philosophical works, and publish audio books. Since 2004, our annual TSMC Hsinchu Arts Festival brings to the local community feasts of beauty with excellent arts and culture exhibitions and performances such as theater, concerts, children’s plays and literature.

- The Proportion of the TSMC Foundation’s Sponsorship for National and International Arts and Culture Groups from 1998 to 2017

- The 15th Anniversary of TSMC Hsinchu Arts Festival

In 2004 the TSMC Hsinchu Arts Festival has the good fortune to produce selected parts from professor Hsien-Yung Pei’s classic Kunqu (Kun Opera) Peony Pavilion-Young Lovers’ Edition in Hsinchu. In its 15th anniversary of the Arts Festival in 2017, the Foundation teamed up with the National Taichung Theater to produce the complete Peony Pavilion-Young Lovers’ Edition so that our mutual relationship with professor Pei can be continued and presented as a gift to the audience.

Audience Feedback on the TSMC Hsinchu Arts Festival

- The 6 talks attracted 755 literature lovers to attend the events
- 93% of the audience felt that these events are significant for them
- As a student I’ve learnt a lot. I’ve come to love writing and am now more willing to look at the world from a different perspective.

"My family also has a Green Park" is an ecological carnival that educates while entertaining. The carnival invites children and their parents to learn about nature and how to protect it through viewing large-scale puppetry and micro cinema, and attend day trips. It’s a very cheerful event, which fits for the kids and the adults alike. We hope that it will continue.
**Tasks of 2018**

Collaborate with educational institutions inside or out of the establishment; provide economic supports and academic guidance for underprivileged students.

Continuously host diverse competitions, encourage the youth to pursue their dreams, and cultivate the scientific and aesthetic literacy in students.

Host large-scale arts Festival in local community and provide platform for Taiwan’s own excellent arts and culture groups.

---

**TSMC Lectures: History of Western Civilization, the Final Chapter of the Trilogy**

The TSMC Culture and Education Foundation has invited specialists in all fields to give various humanities talks in local communities. The topics of the talks encompass eastern and western music, history and philosophy. The “Western Civilisation Lectures”, which started from 2004, invites retired Emeritus Professor Thomas H. C. Lee from National Tsing Hua University to give lectures on the history of the West from the Middle Ages to the Modern Age and the historical origins of freedom, democracy and science. These talks are held in the spirit of the 18th-century French salons where the local people can exchange thoughts at cafes.

After the lecture series of ‘Renaissance’ and ‘Reformation’, the Lecture invited Professor Lee back to talk about the final chapter in the Trilogy of the Western Civilization: “Enlightenment”. These talks first reviewed Renaissance’s impact on the historical background of Europe’s religion, culture and thoughts, and then discussed the impact and achievements of the following Enlightenment; in the talks the audience were led to reflect on the significance of these historical periods. The 6-talk series has attracted 630 people to attend and the audience’s questionnaires and feedbacks will serve as reference for future lectures and thereby bring more quality feasts of knowledge to the local communities.

---

**What extent do you agree with the importance to you of this lecture held by the TSMC Foundation?**

- **Agree**: 53%
- **Strongly Agree**: 53%
- **Neutral**: 14%
- **Effective Questionnaires**: 278

**Does this lecture (topic, contents and inspiration) meet your expectation?**

- **Agree**: 48%
- **Strongly Agree**: 48%
- **Neutral**: 5%
- **Effective Questionnaires**: 278

---

For more information, please visit our [website](#).
TSMC Charity Foundation

**Strategies**

**Take Care of Elder People**
We co-work with some hospitals in northern, middle and southern Taiwan through the Networking of Love system, and provide various resources to support medical organizations to implement medical care for low-income older people who live alone.

**Serve 8,300 person-time elder people who live alone through the Networking of Love**

**Promote Filial Piety**
We co-work with the Ministry of Education, media and other companies to implement filial piety education at the national elementary schools, and initiate promotion activities. Meanwhile, we establish filial piety volunteers to lead the filial piety activities and share knowledge.

**Integrate filial piety volunteers and companies at the Science Park to promote filial piety education together at no less than 50 elementary schools**

**Care for the Disadvantages**
We provide various resources to underprivileged groups through book reading, community and Fab/Division volunteers, to support underprivileged groups living and education. Meanwhile, we proactively pay attention to the needs of emergency assistance in Taiwan, and provide assistance in a timely manner.

**Invest at least NT$10 million for underprivileged groups every year**

**Protect the Environment**
We provide environment protecting resources and knowledge through energy-saving, ecology and Fab/Division volunteers, and help schools save energies and promote knowledge of protecting environment.

**At least 1,000 person-time environment protecting related volunteers**

---

**TSMC 2020/2025 Goals**

- Serve 8,300 person-time elder people who live alone through the Networking of Love
- Integrate filial piety volunteers and companies at the Science Park to promote filial piety education together at no less than 50 elementary schools
- Invest at least NT$10 million for underprivileged groups every year
- Over 8,000 book reading service hours every year
- At least 1,000 person-time environment protecting related volunteers
7,200 person-time
Elder people who lived alone served through the Networking of Love

Co-worked with the Ministry of Education to successfully add filial piety education material to the education outline in October

Completed filial piety teaching material and the demonstration teaching and publishing at the Wu Feng Feng Gu Elementary School

22,128 person-time
Book reading / Community / Fab and Division / Holiday volunteer services

1,134 person-time
Ecology / Energy-saving volunteer services
TSMC Formally Established TSMC Charity Foundation

TSMC established the TSMC volunteer program in 2004, and the program persists on the objective of "long-term commitment to chosen service themes", encourages our employees to participate in volunteer programs with joy and wisdom, making contributions to the society by actions. In 2017, there were more than 24,000 person-time participated in TSMC’s volunteer program. To better integrate our resources and the volunteer services provided by our employees to bring a bigger influence to the society, TSMC formally established the TSMC Charity Foundation on the 14th June in 2017, led by Chairperson Sophie Chang. According to TSMC’s Corporate Social Responsibility Policy and UN Sustainable Development Goals, the TSMC Charity Foundation defined four key focuses: taking care of elder people, promoting filial piety, caring for the disadvantaged, and protecting the environment to create a better Taiwan Society.

Sophie Chang
Chairperson, TSMC Charity Foundation
TSMC Charity Foundation Contribution

Type of Contribution\(^\text{Note 1}\)
Unit: NT$ 
<table>
<thead>
<tr>
<th>Type</th>
<th>Total Amount</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Contribution</td>
<td>NT$151,754,385</td>
<td>10.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind Giving</td>
<td></td>
<td>17.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Type of Philanthropic Activities\(^\text{Note 2}\)
Unit: NT$ 
<table>
<thead>
<tr>
<th>Type</th>
<th>Total Amount</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Initiatives</td>
<td>NT$151,754,385</td>
<td>3.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Donations</td>
<td></td>
<td>26.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Investment</td>
<td></td>
<td>70.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Type of Philanthropic Focus
Unit: NT$ 
<table>
<thead>
<tr>
<th>Type</th>
<th>Total Amount</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protect the Environment</td>
<td>NT$151,754,385</td>
<td>7.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promote Filial Piety</td>
<td></td>
<td>6.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Take Care of Elders</td>
<td></td>
<td>12.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care for the Disadvantaged</td>
<td></td>
<td>74.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protect the Environment</td>
<td>NT$151,754,385</td>
<td>7.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volunteer Head Count
Unit: numbers 
<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,138</td>
<td>5,451</td>
<td>6,812</td>
<td>7,838</td>
<td>8,776</td>
</tr>
</tbody>
</table>

Volunteer Person-time
Unit: person-time 
<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,061</td>
<td>7,379</td>
<td>10,191</td>
<td>16,570</td>
<td>24,612</td>
</tr>
</tbody>
</table>

Volunteer Service Man-hour
Unit: man-hour 
<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26,367</td>
<td>39,390</td>
<td>54,573</td>
<td>93,623</td>
<td>106,176</td>
</tr>
</tbody>
</table>

Note 1: Classify all activities into cash contribution, time, and in-kind giving according to DJSI's definition, and calculate the ratio of each category's investment by monetary value.

Time: volunteer service hours*average hourly rate.
In-kind giving: the monetary value the company invest to provide the item or service.

Note 2: Classify all activities into charitable donation, community investment, and commercial initiatives according to DJSI's definition, and calculate the ratio of each type's investment by monetary value.
According to the data from the Ministry of Health and Welfare, Taiwan will soon become an aged society in 2018. The population of 65 years old and above will be over 14% of total population, an old age population dependency ratio that means four young adults will raise one older person and is still increasing. The needs of taking care of elder people who live alone is increasing, and it has become an urgent priority.

In 2017, several divisions and factories held projects regarding taking care of elder people who live alone. Nearly 1,000 employees donated over NT$1.5 million, and over 130 employees devoted nearly 700 service hours.

The TSMC Charity Foundation cooperates with external organizations to establish a Networking of Love system which connects several medical organizations in northern, middle and southern Taiwan. Through donating goods and money, helping medical organizations extend their scope of elders caring services and the number of elder people who have been severed, to help elder people who lived alone have better prevention and treatment and promote mental health and well-being, meanwhile having safe, effective, quality and affordable essential medicines and medical services.

Our Major Achievements

- **Networking of Love**
  - Cooperated with 8 medical organizations
  - Served 7,200 elder people who live alone
  - Invested over NT$8 million

In 2017, we cooperated with 8 medical organizations, served over 7,200 elder people who live alone. Established the highest altitude day-care center in Taiwan in order to provide comprehensive medical services for elder people who live alone in remote areas. It also helps elder people increase well-being and delays aging from social connection support.

Continually supporting round visits in remote areas, in 2017, we donated a medical van for visiting rural areas to Doctor Yang-wei Kao who received a Medical Contribution Award, which assisted him to take care of elder people who live alone in remote areas.

We are dedicated to improve the equipment of exiting tribe day-care centers in remote areas. For example, we assigned professional employees to help local day-care center to build rehabilitation center in Mudan Township, Pindong County, and provided goods for living.

In 2017, several divisions and factories held projects regarding taking care of elder people who live alone. Nearly 1,000 employees donated over NT$1.5 million, and over 130 employees devoted nearly 700 service hours.

**Networking of Love**

- Coopereated with 8 medical organizations
- Served 7,200 elder people who live alone
- Invested over NT$8 million
Take Care of Elder People
Promote Filial Piety
Care for the Disadvantaged
Protect the Environment

Our Major Achievements

Filial piety was formally included in education outline of the Ministry of Education of Taiwan, and completed demonstration teaching.

Published Filial Piety Education Outline

What We Have Done

In July 2017, Chairwoman Sophie Chang gave a speech "the trigger of revival of filial piety" at the Division head conference of the Ministry of Education of Taiwan. We started co-working with the K-12 Education Administration under the Ministry of Education, added the education outline of filial piety in the education outline of the Ministry of Education, and completed demonstration teaching on December 21st at the Wufeng Feng Gu Elementary School.

In 2018, we plan to push the filial piety education outline to all the elementary schools in Taiwan, and combine the strength of TSMC filial piety volunteers and at least 8 companies to implement filial piety education at 20 elementary schools together, and build the foundation of the spirit of filial piety from the childhood.

Other Project Based Activities

Ecology Tour and Filial Piety Activity – Thank You for Loving Me

In October 2017, ecology volunteers and Fab 12B held an "Ecology tour and filial piety activity". Around 50 employees and their family members enjoyed the activity, where we hope to let the children understand their parents' working environment through ecology education and appreciation activity, and also let them understand the importance of filial piety through planting activity.

Filial Piety Story Reading

Fab 16B co-worked with the Taichung Liren Elementary School and the Daming Elementary School. There were around 25 volunteers read a serious of filial piety stories for around 450 students to promote filial piety, and letting the students to cherish the time spending with elder family members better though writing the appreciation cards.

Fab 14 Open Day-Parents Visiting

On the Fab 14 opening day, our employees invited their parents to visit the factories and offices to understand their daily working environment. Meanwhile, our employees had a chance to experience elderly's inconvenience of walking by using the experiencing tools provided by the Old Five Old Foundation, so our employees would better understand the needs from the elderly.

The TSMC Charity Foundation proactively co-works with the government, media and schools to push filial piety education outline, and our employees also actively support it. In 2017, there were 191 volunteer person-times devoted 844 hours to promote filial piety.

The TSMC Charity Foundation expects to promote filial piety culture in Taiwan’s society by co-working with the government, all elementary schools in Taiwan and media, so the responsibility of taking care of elder people could be put back to each citizen. In 2017, we cooperated with the government actively, and expected to promote and revive filial piety in younger generation to increase the welfare of the society, and helped to solve social issues caused by aged society.

Taiwan will soon become an aged society, and the resources needed for taking care of elder people who live alone are increasing. However, there is limit resources in the society, and taking care of elder people by non-family members is different from their own family members. We believe putting the responsibility of taking care of elder people back to their own families is the root. The data from the Ministry of Health and Welfare of Taiwan shows that the percentage of elder people who live with their children is decreasing in recent years, and the percentage of elder people who live alone is increasing. We believe there is still room for promoting the spirit of filial piety.

Filial piety was formally included in education outline of the Ministry of Education of Taiwan, and completed demonstration teaching.

In July 2017, Chairwoman Sophie Chang gave a speech "the trigger of revival of filial piety" at the Division head conference of the Ministry of Education of Taiwan. We started co-working with the K-12 Education Administration under the Ministry of Education, added the education outline of filial piety in the education outline of the Ministry of Education, and completed demonstration teaching on December 21st at the Wufeng Feng Gu Elementary School.

In 2018, we plan to push the filial piety education outline to all the elementary schools in Taiwan, and combine the strength of TSMC filial piety volunteers and at least 8 companies to implement filial piety education at 20 elementary schools together, and build the foundation of the spirit of filial piety from the childhood.

Published Filial Piety Education Outline

The TSMC Charity Foundation proactively co-works with the government, media and schools to push filial piety education outline, and our employees also actively support it. In 2017, there were 191 volunteer person-times devoted 844 hours to promote filial piety.

The TSMC Charity Foundation expects to promote filial piety culture in Taiwan’s society by co-working with the government, all elementary schools in Taiwan and media, so the responsibility of taking care of elder people could be put back to each citizen. In 2017, we cooperated with the government actively, and expected to promote and revive filial piety in younger generation to increase the welfare of the society, and helped to solve social issues caused by aged society.

Taiwan will soon become an aged society, and the resources needed for taking care of elder people who live alone are increasing. However, there is limit resources in the society, and taking care of elder people by non-family members is different from their own family members. We believe putting the responsibility of taking care of elder people back to their own families is the root. The data from the Ministry of Health and Welfare of Taiwan shows that the percentage of elder people who live with their children is decreasing in recent years, and the percentage of elder people who live alone is increasing. We believe there is still room for promoting the spirit of filial piety.

Filial piety was formally included in education outline of the Ministry of Education of Taiwan, and completed demonstration teaching.

In July 2017, Chairwoman Sophie Chang gave a speech "the trigger of revival of filial piety" at the Division head conference of the Ministry of Education of Taiwan. We started co-working with the K-12 Education Administration under the Ministry of Education, added the education outline of filial piety in the education outline of the Ministry of Education, and completed demonstration teaching on December 21st at the Wufeng Feng Gu Elementary School.

In 2018, we plan to push the filial piety education outline to all the elementary schools in Taiwan, and combine the strength of TSMC filial piety volunteers and at least 8 companies to implement filial piety education at 20 elementary schools together, and build the foundation of the spirit of filial piety from the childhood.
According to the data from the Fiscal Information Agency under the Ministry of Finance of Taiwan, the economic inequality in Taiwan has no tendency to decrease in recent years, and this gap is also present between cities and countryside. The gap of average income of a family between richest and poorest city almost doubled. Education resource and learning result could be different due to the differences of economic situation and the gap between cities and countryside, and the shortage of education resource would bring more negative impact for the society, which is an urgent and important issue.

We focus on “caring for underprivileged groups’ living” and “caring for underprivileged groups’ education” which are mentioned in TSMC’s Corporate Social Responsibility Policy. The TSMC Charity Foundation works with our divisions and factories, actively paying attention to underprivileged groups. We visited every underprivileged group in needs personally to understand their actual needs, and held a series of activities such as donating money and goods, charity buying and donation, volunteer services, construction services and emergency aid, to help underprivileged groups improve their economic and education environment.

Community Volunteer
Community volunteers regularly visit Veterans Home and Children’s center to accompany elder people and children. We connect elder people and children through gathering parties and activities, and around 800 person-time community volunteers provided over 5,000 service hours in 2017. In October 2017, Fab 8 volunteers invited students from the St. Francis Xavier House for Girls and the elderly from the Hsinchu Veterans Home to the Window on China Theme Park, and arranged the students to perform arhu fiddle on the stage, making them more confident through the performance while the veterans could have a joyful day.

Book Reading Volunteer
Book reading volunteers provide book reading, English reading and math teaching services regularly for the elementary schools in rural areas in Hsinchu, Taichung and Tainan. In 2017, around 1,300 person-time book reading volunteers provided over 6,000 service hours. In 2017, 294 students in the Yuandong Elementary School of Chutung Township benefited from English reading services. Around 600 students received one on one math teaching services. 90% of the students in the class caught up the study progress after more than 1,500 math teaching hours.

Dear TSMC teacher,
Thank you for your effort and devotion, and for teaching us with the happiest smile every time, thank you!

Students from English reading services provided by Legal organization
Chiayi Shuishang Chuanai Afterschool Reconstruction — Turning the Hope of Future

Miss. Que-Dai Shu-wei established the Chiayi Shuishang Chuanai after-school 17 years ago, taking care of nearly 50 low-income and underprivileged students in elementary and junior high schools. She believes the education of children is the foundation of reducing social issues.

In August 2017, TSMC launched a fundraising event on the internal i-Charity platform, and raised nearly NT$6 million within 3 days. Then 300mm TB and 300mm FB helped the after-school re-construct its classrooms, expanded the room and environment quality, giving the students a better learning environment.

Love Supply Chain — Create One Supply Chain, Achieve Triple Win

In 2017, Fab 15A connected the underprivileged product producers in the upstream, group buying of TSMC employees in the midstream, and underprivileged people who need the goods in the downstream, to create a brand new triple win charity model.

In 2017, our employees purchased nearly 3,000 cabbages and over 100,000 bananas, and donated them to 8 charity foundations and nearly 9,000 families.

TSMC continues to care about underprivileged groups’ living and education, provides economic support and living goods, and provides children with a safe learning environment, helping education organizations which lack of resources to re-build the classroom, and ensure students’ learning quality. In 2017, 22,128 volunteers devoted 92,206 hours to activities of taking care of underprivileged groups. We invested nearly NT$30 million, and more than 24,000 people were benefited.
300mm TB started the adventure of program design for the children of St. Joseph afterschool in Wufeng, Taichung. The children experience program design through games, and build up confidence through actual practices. The students also joined a competition with the games designs by themselves, which aroused unlimited possibility for their future.

Quality & Reliability volunteers have been accompanying the children of Hsinchu Ren Ai Children’s home for a long time, helping them develop a professional skill and build up economic basis from assisting them to make and sell hand-made soaps from nothing.

200mm TB volunteers invited children from the Meihua elementary school of Hsinchu county to one-day science camp at the National Tsing Hua University. These children experienced dry ice innovated experiment DIY and extremely low temperature, and felt the wonder world of subzero 196 degrees Celsius.

The Manufacturing Technology Center initiated painting project for the Holy Family for Special Education, and helped them become excellent grade from good grade of the government’s evaluation system. It was also the first time they received excellent level in 30 years since they established. Every employees in the Holy Family for Special Education received extra 2% pay raise by the government founding, also increased other funding percentage. These helped the organization to operate and take care of the residents better.

The Product Development organization launched a fundraising for the 2017 Silver Grass Cultural and Creativity Association Summer Tour, which performed stage drama "the stories are gone" at 25 rural elementary schools. It is aimed to promote education through drama, connect people with arts, land and society, and create opportunities for rural children to experience the first drama in their life.

Fab 3 volunteers hold a graduation ceremony for the children of the Sheng-shin kindergarten in Wufong township, Hsinchu county. We prepared lunch boxes, tableware, meal bags, thermos bottles, and the 10 graduates who were going to go to elementary schools have best wishes from teachers, volunteers and children.

Human Resources volunteers helped Ms. Peng, the owner of San Wan pear garden, to pick pears and promoted and sold the pears in our Company. They helped Mr. Peng who live in poverty to maintain her income, and our staff also created joy memories when helping people!
Energy-saving Volunteer

The "energy-saving volunteer team" gathered engineers who have energy saving and professional safety knowledge to actively go to schools in rural areas to implement water saving, energy saving and safety checks, helping every level of schools to evaluate and improve their energy utility, to prevent and slow down climate change. In 2017, around 170 person-times energy-saving volunteers provided 1,050 hours energy-saving check services, and provided professional evaluation report and improvements for schools for further reference for future actions. Fab 6 energy-saving volunteers have provided 25 times services since they were founded, helped the schools to build a safer learning environment.

Ecology Volunteer

TSMC kept certain area for ecology engineering when we built the factories, created an environment with ecological diversity to achieve the goal of protecting ecology environment. Meantime, we established ecology volunteers, provided rural students to reserve ecology tour and taught them green knowledge. In 2017, around 964 person-times ecology volunteers provided over 4,800 hours ecology tour for at least 9,776 person-times students.

Climate change has become a global issue, and it is an urgent priority to increase the public awareness of protecting environment. The TSMC Charity Foundation spreads the knowledge of environment protection. We expect to increase citizen’s awareness of protecting environment by
1. helping schools improve their energy utility by TSMC professional energy-saving volunteers;
2. promoting environment protection spirit through ecology volunteers;
3. other project based activities.
Tasks of 2018

Initiate two Ministry of Health and Welfare’s hospitals to start intelligence home care research and possible action plan

Build up TSMC filial piety volunteer team

Encourage more employees to participate in volunteer activities

Protect the Environment

Other Project Based Activities

Earth Day

On Earth Day on the 22nd April, TSMC co-worked with the Environment Protection Administration of Taiwan to clean up the beaches. A total of 181 employees and their family members devoted nearly 800 hours cleaning up the beaches at the Hsinchu Yongan Fishing Port, the Xinfeng Mangrove and the Tainan Anping Beach. The awareness of protecting environment was also awakened when protecting the earth.

Tainan Jacana Sanctuary

Tainan Guantian Jacana Sanctuary water chestnut field is the habitat of Jacana. TSMC provides tour services every year. In 2017, the habitat field for Jacana was nearly dried because the water well was broken and not able to provide water due to poor maintenance for years. After personally visiting the Jacana Sanctuary by TSMC professional volunteers, we donated around NT$470,000 for repairing the water well, and we expect the water well digging to be completed in early 2018.

A Trip of Eco-friendly Farming

Fab 12A volunteers led students of the Nei Wan elementary schools to experience farming, personally experienced how much effort a farmer make when farming, to introspect the environmental impact of mountain reclamation, and further grew the awareness of protecting environment in their mind.

TSMC Museum of Innovation and the Power House

Fab 2 and Fab 5 volunteers led children to visit the TSMC Museum of Innovation and the Power House. Along with the climate change board games provided by the Hsinchu County Environment Protection Bureau, children have better understanding on the contribution of semiconductor industry for the society. They also realize a small action/decision could have an impact on climate changing of the world through the board games.

Tour Volunteer

TSMC believes that sharing technology knowledge is one of the important ways to contribute to the society. Except the four key focuses, we hope the knowledge of semiconductor can be known widely by the public, making technology easier to understand. Currently there are volunteers providing tour services in the Taichung National Science and Technology Museum and TSMC’s Museum of Innovation in Hsinchu. In 2017, 1,350 person-times tour volunteers provided over 8,100 service hours.