Practitioners of a Sustainable Future

TSMC practices innovation through technology, and drives the ceaseless progress of global technology through semiconductors.

"Integrity" and "responsible operations" are the two cornerstones of TSMC’s business, and its unwavering commitment. In addition to developing growth potential in its core business, TSMC continues to cultivate green manufacturing, create an inclusive workplace, care for the disadvantaged, and build a responsible supply chain to serve as a positive force in society.

It is the unshirkable duty of everyone in TSMC to do their utmost to fulfill the Company’s responsibilities as a corporate citizen. Bearing a dedication to "diligently doing everything right", we never stray from the path of pursuing sustainability and the mutual good, and always seek a way to improve and move forward.
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Taking a Sustainable Path

This is an age where no one can be an exception. Facing global climate change and an uncertain world, we are all in the same boat. Every person, every enterprise is part of the same whole. The only path to sustainability is the common good.
How does TSMC define its role as a corporate citizen?

As the world’s largest dedicated semiconductor foundry, TSMC accelerates the flow of innovation in IC design and product applications with a pioneering business model. We have enabled a world where semiconductors are ubiquitous and brought epoch-marking changes to the way we live, work, and play over the past 31 years.

As we move from the digital age to the intelligent age, we continue to expand the possibilities for innovation, and work hand in hand with our customers to take great strides forward in technology. We are ushering cities, medicine, and all the necessities of human daily life towards an intelligent future; using technology to serve people, and using innovation to bring prosperity and happiness.

Nonetheless, technological progress and corporate growth are only meaningful in a sustainable society and environment. That is why TSMC endeavors to be a force that uplifts society, and does its utmost to fulfill its responsibilities as a corporate citizen through its three missions of “Integrity, Strengthening Environmental Protection, and Caring for the Disadvantaged”.

Why is integrity TSMC’s foremost mission in corporate social responsibility?

Integrity is not only TSMC’s foremost mission in corporate social responsibility, it is a fundamental part of our core values and business philosophy, and most of all our highest principle for doing business, because we believe transparent business operations are keys to initiating change in society. Thorough and healthy corporate governance is the foundation of corporate social responsibility, and for corporate governance to be successful, it must be guided by moral values and integrity, balance the interest of all stakeholders, and generate a positive cycle in order to continue creating value.

How important is carrying out corporate social responsibility to TSMC, and what are your priorities?

Corporate Social Responsibility requires a company to attend to corporate governance and pursue profitable growth, while also paying attention to environment, society, and other non-economic benchmarks. To TSMC, the most important is to “keep to the basics”: to adhere to our 10 business principles, persist in building on our Trinity of Strengths – Technology Leadership, Manufacturing Excellence, and Customer Trust, make outstanding performances in business, and maintain our leadership position. In 2018, our market share increased for the ninth straight year to reach 56%, while revenues and profits reached a record high for the seventh consecutive year, firmly solidifying our position as the world’s largest dedicated semiconductor foundry.

In addition to pursuing the highest accomplishments in our core business, TSMC uses its influence as an industry leader to fulfill its responsibilities in environmental protection and supply chain management. In 2018, TSMC invested nearly NT$18.17 billion in environmental protection, carried out 667 projects in energy and water conservation, and continued to raise the efficiency of its energy consumption. We also set our action plan for renewable energy adoption: we committed to a target of 20% renewable energy for 3 nanometer production, and to gradually achieve a long-term target of 20% renewable energy for the entire company based on the availability of renewable energy in Taiwan. In 2018, all overseas sites now use 100% renewable energy, beginning from regions with comprehensive regulations and ample supply.

TSMC aims to be an action-taker in corporate social responsibility. Facing increasingly difficult challenges from our environment, we will continue to strive and do our duty.
In terms of sustainable supply chain, we continued with our ‘Responsible Supply Chain Action Plan’ proposed in 2017. In 2018, we systematically established a tier-based management system for suppliers based on size and frequency of transactions, supply availability, and related health and safety performance. Based on this system, we set corresponding measurement benchmarks and management goals, and brought their upstream suppliers and contractors into the scope of our sustainable action.

TSMC strives to be pro-active in corporate social responsibility, and connects with the “TSMC Education and Culture Foundation” and the “TSMC Charity Foundation” to form a network for social participation. We continue to cultivate artistic culture, support diverse education, promote filial piety, and care for the livelihood and education of the disadvantaged. In 2018, through our collaboration with suppliers in the Hualien Earthquake Relief Project, we deeply experienced how gathering love from all sides can make good things happen faster. I have always believed that changing the world is not one person doing many things, but many people committing to do their part. Looking ahead, we will not only bring together the resources of our company and our employees, but also cross boundaries to other companies and organizations with our charity activities and let the power of doing good continue to flow.

How does TSMC manage corporate social responsibility?

TSMC never stops improving the way it fulfills its corporate social responsibility. At present, we leverage the CSR Committee as a management platform for building consensus, communicating across organizations, and consolidating resources. We use disclosure of sustainability information as our tool for active management.

In 2018 we began publishing the monthly ‘CSR Newsletter’ to regularly share TSMC’s sustainability achievements, and also to let our first-line colleagues know how their efforts are bringing changes to the world. At the same time, the Corporate Social Responsibility Report we compile each year serves as a survey of the Company’s sustainability status, and drives each organization to improve. This is because the process of preparing information for the CSR Report leads us to evaluate major issues of concern, benchmark against international practices, set our execution strategy as well as mid- to long-term goals, and propose plans for improvement. All of these actions eventually come back to one core question: what kind of company do we want to be?

Q How will TSMC’s corporate social responsibility develop in the future?

As an important member of the global semiconductor industry, it is our responsibility to face up to the challenges of an increasing difficult environment. TSMC believes in and supports the United Nations’ Sustainable Development Goals (SDGs). Through the operations of the CSR Committee, we have made a thorough survey of the ways that the SDGs align with TSMC’s operations, and encourage employees to consider together how to take action on sustainability in their daily work. We hope that corporate social responsibility can help to drive our company’s team spirit and build a challenging and fun workplace. Furthermore, we support our colleagues in their efforts to keep learning and keep innovating. If every one of our colleagues can always bear in mind how to bring more sustainability into their work, and take the initiative to care about the people around them, then I believe that the sustainable society we speak of will not just be a vision and an ideal, but a beautiful reality that you, I, and all future generations can enjoy.

Lora Ho
Senior Vice President and Corporate Social Responsibility Committee Chairperson

We know that whether at home or abroad, people have high expectations for TSMC, and they look to us to make the first move to bring about positive change. It is both an honor and an obligation. Despite the challenges, we will continue to strive and do our duty.
Sustainability Performance

1. The world's largest dedicated semiconductor foundry

351.13 bn (NT$)

Reached a record-high net income in 2018

22.0%

2018 ROE

8%

Continued to expand research and development, 2018 expenditures in R&D totaled US$2.85 billion, equivalent to 8% of the year’s total revenue

7 nm

Led the industry in volume production of 7nm process technology in 2018

17%

2018 greenhouse gas emission per unit product reduced to 17% below 2010 levels

1

2018 perfluorinated compound (PFC) emission per unit product reduced to 60% below 2010 levels – the largest reduction in the industry

880 GWh

880 GWh of renewable energy purchased worldwide in 2018, the largest amount purchased in the Taiwan semiconductor industry

24.7%

2018 water consumption per unit product reduced to 24.7% below 2010 levels

95%

2018 waste recycling rate reached 95%, exceeding 90% for 10 consecutive years

32 months

In 2018, annual compensation for newly-graduated engineers employed by TSMC in Taiwan with a master’s degree was equivalent to 32 months of salary, exceeding industry standards

3x minimum wage

In 2018, the average monthly salary of direct labor in TSMCs facilities in Taiwan was 3 times higher than the minimum wage in Taiwan

27,590 people-time

Person-time of volunteers in 2018

109,059 hours

Hours dedicated to volunteer services in 2018

690,151,360 (NT$)

Total investments in social participation in 2018
Awards, Recognitions and Ratings

MSCI ESG Indexes
MSCI ACWI SRI Index component

IR Magazine
Best Investor Relations (Awards by region / Taiwan)
Best Crisis Management

Institutional Investor Magazine
Most Honored Company (Technology / Semiconductors)
Best Corporate Governance (Technology / Semiconductors) – 1st Place - All-Asia
Best ESG / SRI Metrics (Technology / Semiconductor) – 1st Place - All-Asia
Best CEO (Technology / Semiconductors) – 1st Place - All-Asia
Best CFO (Technology / Semiconductors) – 1st Place - All-Asia
Best Investor Relations Professional (Technology / Semiconductors) – 1st Place - All-Asia
Best Investor Relations Program (Technology / Semiconductors) – 1st Place - All-Asia
Best Analyst Days (Technology / Semiconductors) – 1st Place - All-Asia

MSCI 2019 Constituent MSCI ESG Leaders Index component

FTSE4Good Emerging Index component
FTSE4Good TIP Taiwan ESG Index component

'Prime' rated by ISS-oekom
Corporate Rating
Rated an ESG "Leader" within the Semiconductor Industry

Nikkei
Nikkei Asia 300 Indexes

FORTUNE
Fortune Global 500

PricewaterhouseCoopers
Global Top 100 Companies by market capitalization for the 6th consecutive year

CommonWealth Magazine
Corporate Social Responsibility Award

Taiwan Institute of Sustainable Energy
The Most Prestigious Sustainability Awards – Top Ten Domestic Corporates
Taiwan Top 50 Corporate Responsibility Report Awards – IT & IC Manufacturing Industry

Taiwan Stock Exchange
Top 5% in Corporate Governance Evaluation of Listed Companies for the 4th consecutive year
TWSE Corporate Governance 100 Index component

For more details of 2018 CSR awards and recognitions, please refer to TSMC's 2018 Annual Report