

### ● Employee Health Enhancement

TSMC provides healthcare and staff assistance services in every fab. TSMC employees enjoy health services such as 24-hour nursing care, annual physical examinations, psychological consultations, stress management programs, workshops, and staff assistance projects. In addition, the Company also provides subsidized or free clinical and dental care services, women's healthcare, acupuncture and massage services and programs.

Health enhancement activities include nutritional consultation, weight-loss classes, an acupuncture weight-loss program, carotid and thyroid ultrasound examinations, an endocrinology clinic, a dermatology clinic, bone mineral densitometry examinations and cancer screenings. Canteens also provide healthy meals with high fiber and low fat, as well as all-fruit meals. TSMC fabs have fitness centers with treadmills, exercise equipment, and aerobics classrooms to encourage employees to participate in athletic activity. In addition, all employees can find health information through the Company's healthcare website.

### Supplier and Contractor Management

For the purpose of enhancing its supply chain management, TSMC is committed to communicating with and encouraging its contractors and suppliers to improve their environmental, safety and health performance. By means of communication between senior managers, site audits and experience sharing, TSMC collaborates with major raw materials suppliers and contractors to ensure continual improvement. Contractors performing high-risk activities must lay out clearly-defined safety precautions and preventative measures. In addition, contractors working on high-risk engineering projects must establish OHSAS 18001 systems and the workers must successfully complete work skill training.

### Environmental, Safety and Health-related Awards in 2007

- Recognized by the Ministry of Economic Affairs Water Resources Agency for "Excellence in Water Conservation"
- Recognized by the Ministry of Economic Affairs Bureau of Energy for "Excellence in Energy Conservation"
- Recognized by the Ministry of Economic Affairs Industry Development Bureau for "Excellence in Voluntary Greenhouse Gas Reduction"
- Environmental Protection Administration's "Award for Outstanding Achievement in Industrial Waste Disposal, Resources Reduction, and Recycling"
- Recognized by the Tainan Science Park for "Outstanding Achievement in Environmental Protection"
- Recognized by the Executive Yuan Council of Labor Affairs (CLA) for "Excellence in Safety and Health 5-Star Award"
- Recognized by Hsinchu Science Park Administrations for Excellence in Labor Safety and Hygiene
- Chosen for membership in the Dow Jones Sustainability World Index for a seventh consecutive year, and the only Taiwan member since 2003

## 7.2 TSMC Education and Culture Foundation

TSMC established the Education and Culture Foundation in 1998 to coordinate the Company's sponsorship as part of its efforts in corporate social responsibility. The Foundation's resources are directed towards promoting our engagement in four areas: commitment to education, sponsorship of art events, contribution to local communities, and the employee volunteer program. In 2007, marking TSMC's 20<sup>th</sup> anniversary, the Foundation organized a series of activities to highlight our commitment. We initiated a charity concert to help aboriginal students, collaborated with the renowned Taiwan Literature Camp, sponsored a children's arts education TV program, and expanded the TSMC employee volunteer program. Over the next 20 years, the Company will continue to further do our duty as a leading corporate citizen and make our community a better and more beautiful place to live in.

### 7.2.1 Commitment to Education

The Foundation has been running its "TSMC Esthetic Education Tour" program since 2003. It sponsors underprivileged students from remote school districts on education tours to museums, art galleries, and local historic sites. By 2007, the Foundation had tallied over 50,000 visits on this project. As an extension, in 2007 TSMC commissioned the Public Television Service to produce and broadcast a related children's TV program — An Enchanted Journey through the National Palace Museum. Using lively animation and an in-depth introduction, the program presents the beauty and profusion of the Chinese cultural heritage and makes the artifacts more accessible to young viewers.

Developing scientific talents and nurturing future leaders have always been two of our long-term goals. The Foundation maintains our support of the Wu Chien-Shiung and the Wu Ta-You Science Camps. In 2007, the Wu Chien-Shiung Science Camp, together with the 2007 Asian Science Camp, invited five Nobel laureates and 13 other world-class scientists to give lectures to talented high school and university students. We also work closely with leading universities on a wide range of programs. The Foundation provides financial aid for students from low-income families, supports chaired professor positions and lecture series, and sponsors students from National Tsinghua University and National Chiaotung University to study abroad for one year.

The Foundation has also made contributions to the construction of new facilities at leading research institutes in the science, technology management, and electric engineering, including National Taiwan University, National Tsinghua University, and the University of California, Berkeley. In July of 2007, National Taiwan University began the second phase of construction of a new chemistry research center. The TSMC Building at Tsinghua University, is almost complete and will open in 2008.

## 7.2.2 Sponsorship of Arts Education Nationwide

In 2007, the TSMC Foundation sponsored the renowned Taiwan Literature Camp. Students and literature devotees from all over the country gather in Hsinchu to hear from authors and literary experts, giving Hsinchu, a city primarily known for science and technology, an infusion of the humanities. The popular TSMC Youth Literature Award, established in the hope of cultivating literary taste in our society, entered its fourth year. Now well established as one of most rigorous youth literature awards, the event attracted a huge number of students to participate in the competition.

Noting the importance of preserving historic sites, the Foundation continued to sponsor the Taipei Story House's Literature Salon. Cultural activities such as regular author readings on the site gave the old building a new lease of life and attracted the general public to this cultural heritage site.

## 7.2.3 Contribution to Local Communities

The Foundation continues to sponsor and organize art and cultural activities in our site communities of Hsinchu and Tainan. In 2007, the TSMC Hsinchu Art Festival was inaugurated with a special charity concert. Students from the remote schools of Taoshan and Wufeng were invited to perform with a prominent symphony orchestra. The concert gave the children an opportunity to show their musical talent and also encouraged the general public to participate in fundraising and community building. All of the proceeds were donated to the education of underprivileged children in remote school districts in Hsinchu County. The festival also included other outstanding events such as classical music concerts, opera and drama, family activities, and art and literature seminars. Over 40,000 people from the community participated or attended, making for an overwhelmingly positive response.

## 7.2.4 The Employee Volunteer Program

Besides sponsoring the above educational, art, and literature programs and activities, the Foundation has encouraged employees to participate in volunteer programs. Employees and their family members have either served as volunteer docents on weekends at the National Museum of Natural Science in Taichung or joined the TSMC Book Reading Volunteer Program to read stories to elementary school children in remote townships in Hsinchu or Tainan on weekdays.

The TSMC Volunteer Docent Program at the National Museum of Natural Science in Taichung has operated for four years. In 2007, the program was expanded to recruit employees of TSMC-affiliated companies, including Vanguard, VisEra, and Global Unichip. About 200 employees have volunteered every year, and over the past four years, volunteers have put in a total of over 25,000 hours and given tours to over 500,000 visitors. The TSMC Book Reading Volunteer Program, now in its third year, has already recruited 160 people, who volunteered in four schools in 2006 and in five in 2007. Over the past three years, there have been almost 7,000 reading sessions, and the total reading hours have reached almost 10,000. Through many years of dedicated volunteer work from TSMC employees, employees of TSMC-affiliated companies, and their family members, TSMC has shown its commitment to the expansion of science education and the education of the underprivileged.