



# Supply Chain Partners Should Ensure Protection of Human Rights During the COVID-19 Pandemic

As a global semiconductor industry leader, TSMC aims to drive supply chain improvement and is committed to doing business in an environmentally and socially responsible fashion. Although TSMC has not employed any migrant workers, the Company urges that its supply chain partners should implement relevant human rights protection measures when employing migrant workers during the COVID-19 pandemic.

TSMC firmly believes that respecting human rights and creating a dignified working environment are of vital importance to both TSMC and its supply chain partners. In order to safeguard the protection of human rights, TSMC updated its *Human Rights Policy* in 2020. This policy is the highest guiding principle of human rights governance in TSMC's Plan-Do-Check-Act work cycle. During the COVID-19 pandemic, TSMC's suppliers and their labor intermediary companies must abide by the COVID-19 regulations of their jurisdictions, and comply with TSMC's *Human Rights Policy*, *TSMC Supplier Code of Conduct*, the *Responsible Business Alliance Code of Conduct*, and the *United Nations Guiding Principles on Business and Human Rights*. The management of migrant workers must be in accordance with the following terms and conditions, holding everyone to the same standard and fully respecting the value of equal rights and human dignity.

- Entry and exit rules for migrant workers shall not impinge on freedom of personal movement, and shall not restrict migrant workers' legal personal activities during their non-work hours.
- Do not restrict migrant workers' right to socialize in a manner that is compliant with laws and regulations for COVID-19 prevention, such as chatting and meeting other people.
- Incentives may be provided to encourage migrant workers to comply with relevant regulations for COVID-19 prevention. However, wage deductions may not be used as a disciplinary measure.
- Adhere to local government announcements for COVID-19 prevention and publicize them to migrant workers. There must be no additional exaggeration or speculation, and especially no threats.
- Accidents and health issues involving migrant workers must respect the wishes of their families, and should be handled in compliance with relevant laws and regulations, including arrangements for medical treatment and, if relevant, handling of human remains.
- Management of migrant worker dormitories must comply with the relevant regulations of the jurisdictions where the migrant worker is located, and respect the right of a migrant worker to choose his or her residence. A migrant worker's personal belongings shall not be moved without his or her permission.
- Personal living space in the dormitory should be clean and comfortable, and it must not be less than allowed by local laws and regulations.

Supervisors of TSMC's global operational sites shall work with senior executives in Human Resources, Information Technology and Materials Management & Risk Management, and the Legal organization to take responsibility for the human rights issues of TSMC's workplaces around the world, and its suppliers. The Material Supply Chain Management Division will be responsible for all human rights issues related to suppliers. All regulations shall be formulated and implemented in compliance with the *TSMC Supplier Code of Conduct* to ensure appropriate supplier management. TSMC requires all suppliers to adhere to the *TSMC Supplier Code of Conduct*, proactively take actions to improve labor rights, safety and health, environmental protection, business ethics, and the efficiency of their management systems, and reduce disruption risk for business operations. The Company takes tangible actions to build a responsible supply chain and works hand in hand with suppliers to build a sustainable semiconductor supply chain together.



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