

Independent Limited Assurance Statement

Taiwan Semiconductor Manufacturing Company Ltd. ('TSMC' or 'the Company') commissioned DNV Business Assurance Co. Ltd. ("DNV") to undertake independent assurance of the 2023 Sustainability Report (the "Report") for the year ended 31 December 2023.



Our Conclusion: On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe TSMC's adherence to the Principles described below. In our opinion, the Report provides sufficient information for readers to understand the Company's management approach to its most material issues and impacts.

Scope and approach

Our assurance engagement was carried out during October 2023 to April 2024. We performed our work using DNV's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The Report is prepared with reference to the reporting principles and requirements of the Global Reporting Initiative (GRI) Standards 2021. The Report also incorporated the relative sustainability reporting guidelines, such as Sustainability Accounting Standards Board (SASB) Semiconductors Sustainability Accounting Standard and Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We evaluated the Report using the reliability principle together with TSMC data protocols for how the data are measured, recorded and reported. The reported data in scope was against TSMC's significant Environmental, Social and Governance (ESG) issues and the 2030 sustainability commitment and the topics set forth in the GRI standards.

We understand that the reported financial data and information are based on data from TSMC's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

GHG verification is excluded from the scope of work, since as GHG assurance had been done under the jurisdiction of an official mechanism governed by the Authority. In this assurance, DNV did not go through it again but only refer the statement of the verification (C663859-2023-AP-TWN-TAF, 12 April 2024; C663860-2023-AG-TWN-DNV, 12 April 2024), actually it released by DNV as an approved verification body, of that official mechanism.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a 'moderate / limited level' of assurance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters and site level. We undertook the following activities:

- Review of the current sustainability issues that could affect TSMC and are of interest to stakeholders;
- Review of TSMC approach to stakeholder engagement and recent outputs;
- Review of information provided to us by TSMC on its reporting and management processes relating to the Principles;
- Interview with selected directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. People who worked in functions for financial, legal, environment (including climate change & energy, air emission, water resource, chemical and waste management), human resource, safety, procurement, wellness, product development, information security, intellectual property, trade secret and TSMC cultural and educational foundation were chosen to interview;
- Conduct site visits to HQ in Taiwan and remote meeting with other production sites to review process and systems for preparing site level sustainability data and implementation of sustainability strategy. Sites were chosen based on materiality issues;
- Review of supporting evidence for key claims and data in the Report. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at a consolidated corporate level;
- The regulated scheme (Climate Change Administration, Ministry of Environment Greenhouse Gas Programme as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.) as the Criteria for evaluating GHG in the statement, with reference to the period DNV conducted this activity;
- Review of the processes for gathering and consolidating the data and, implemented by sampling, checking the data consolidation including,
 - where financial data had been checked by another third party,
 - where data of scope 1, 2 and 3 of GHG Emission had been verified by DNV, we tested transposition from these sources to the Report,
 - where relevant data and information had been generated from the implementation of specific certified

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by TSMC have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Statement.

management system, indicated the relevant specifications of the management system certification and the connection to the data and information used in the Report;

- An independent assessment of TSMC's reporting against the Global Reporting Initiative (GRI) Standards 2021;
- Due to a confidential issue, DNV was unable to assess the salary data. Therefore, the reported performance and alignment with reference standards for this topic are excluded from our scope of work;
- The verification was conducted based only on the Chinese version Report.

Observations

Without affecting our assurance opinion, we also provide the following observations.

The following is an excerpt from the observations and opportunities reported back to the management of TSMC.

- For providing stakeholders comparability and consistency of environment information, it is recommended to disclose information for both domestic and overseas facilities at equivalent levels of criteria, detail and scope.

Sustainability Context

The Report provides an accurate and fair representation of the level of implementation of related ESG policies and meets the content requirements of the GRI Standards 2021.

Materiality

The materiality determination process was revalidated based on survey from key stakeholders including employees, customers, suppliers / contractors, NGOs, governments, shareholders, investors, regulatory bodies, local communities and senior management of TSMC and has not missed out any significant and known material issues about the Semiconductor Sector. A methodology has been developed to evaluate the priority of these issues and identified priority issues are fairly covered in the Report. An internal assessment process for monitoring and management on a continual basis for their long-term organisational sustainability has been established.

Completeness

The Report has fairly attempted to disclose the generic disclosures and management approaches and performances of identified material topics for GRI Standards 2021. The reporting of performance and data are within the Company's reporting boundary and reporting period except for certain material topics. A system to report the performances of material topics are being

Responsibilities of the management of TSMC and DNV

The Directors of TSMC have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of TSMC; however, our statement represents our independent opinion and is intended to inform all of TSMC stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV provides a range of other services to TSMC, in our opinion none of which constitute a conflict of interest with this assurance work.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

established and set the internal timelines for disclosure.

Accuracy and Reliability

The majority of data and information verified at the Corporate Office and sampling operational sites were found to be accurate and nothing came to our attention to suggest that reported data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated for correction.

Inclusivity

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented. The material topics identified through this process are reflected in the Report.

Responsiveness

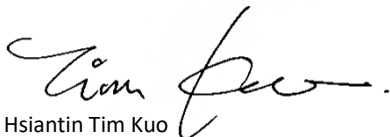
The Report meets the content requirements of the GRI Standards 2021. The Report provides an accurate and fair representation of the level of implementation of related ESG policies.

The Company has adequately responded to stakeholder concerns through its policies, ESG Committee, and quarterly / annual financial report, and this is reflected in the Report.

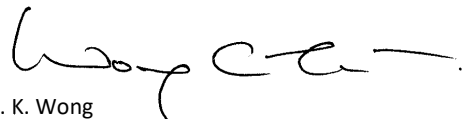
Impact

The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

DNV Business Assurance Co., Ltd.



Hsiantin Tim Kuo
Engagement Lead Verifier



C. K. Wong
Management Representative & Quality Reviewer

Taipei
27 June, 2024