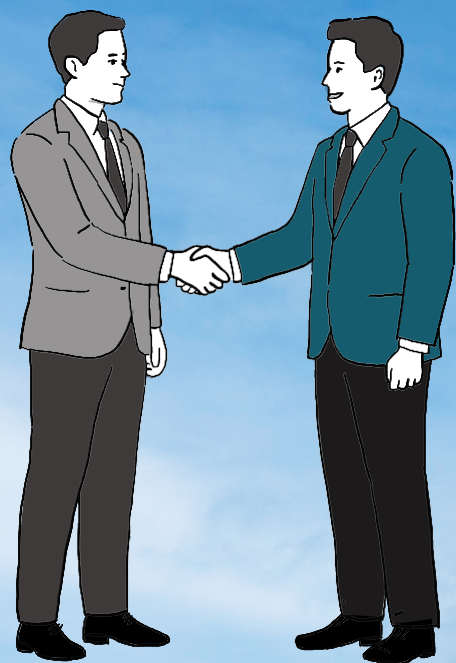


TSMC 2025

Human Rights Progress Report



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Letter from the ESG Committee Chairperson

Amid geopolitical tensions, the climate crisis, and growing social inequality, emerging technologies such as generative AI are reshaping the business environment at an unprecedented pace while creating new challenges and far-reaching implications for human rights protection. As highlighted in the World Economic Forum's (WEF) [Global Risks Report 2026](#), inequality has become a core risk behind social fragmentation, with human rights violations among the key factors that deepen inequality. The UN Pact for the Future further affirms that sustainable development is inseparable from the realization of human rights and fundamental freedoms. These priorities are mutually reinforcing and together contribute to long-term global progress.

Grounded in a people-first philosophy, TSMC integrates respect for and protection of human rights into daily operations. Guided by three frameworks—the Responsible Business Alliance (RBA) Code of Conduct, the OECD Due Diligence Guidance for Responsible Business Conduct, and the United Nations Guiding Principles on Business and Human Rights (UNGPs)—TSMC established a human rights due diligence mechanism covering employees, suppliers/contractors, customers, and communities. The Company also continues to refine its policies, processes, and management systems to advance the value of Decent Work.

TSMC believes policies are the foundation of effective human rights governance. In 2025, the Company completed the development and revision of [10 human rights-related policies](#)

encompassing talent recruitment, retention, and compensation, as well as key areas such as sustainable supplier management, contractor environmental, safety and health (ESH) management, and construction site safety. TSMC also revised policies related to hazardous substance-free management, privacy, and personal data protection. As global attention to human rights continues to grow, TSMC plans to introduce four additional policies in 2026—a [Anti-Discrimination and Anti-Harassment Policy](#), [Grievance Policy](#), [Responsible AI Policy](#), and [Supply Chain Migrant Worker Management Policy](#)—to further enhance its governance framework and address emerging challenges.

Through its global Workplace Human Rights Climate Survey, TSMC responds to employee expectations across five key categories: Policy and Governance Frameworks, Values and Culture Transformation, System and Process Optimization, Communication and Effective Grievance Channels, and Professional Skill Development. In 2025, the Company continued to carry out improvement actions and extended its impact to supplier/contractors, employees, customers, and communities. To address issues highlighted by the United Nations and international regulations—including forced labor, per- and polyfluoroalkyl substances (PFASs), and biodiversity—TSMC expanded supplier audits and applied human rights remediation mechanisms, requiring suppliers to collectively reimburse more than NT\$780 million in migrant worker recruitment fees. TSMC also advanced its PFASs

substitution plan, leading its own transition while driving subsidiaries to complete photoresist replacement ahead of schedule. At its Central Taiwan Science Park facilities, TSMC became the first company in Taiwan to successfully restore the *Squalidus Banarescui*, an endangered fish species, at a fab site. The Company further set natural risk assessment guidelines for [six categories](#) of renewable energy providers to support both green energy development and ecological stewardship.

The value of human rights begins with commitment and is realized through action. Every data point and milestone disclosed in this report reflects TSMC's tangible practice of human rights governance. The Company will continue working closely with stakeholders to share responsibility for future generations and build a more sustainable and inclusive future.

Lora Ho

Senior Vice President and ESG Committee Chairperson





About This Report

Purpose

Transparent Disclosure

Regularly publish human rights progress and outcomes, reflecting progress toward targets and upholding its commitment to transparency for internal and external stakeholders

Frameworks and Standards

RBA Code of Conduct

OECD Due Diligence Guidance for Responsible Business Conduct

UN Guiding Principles on Business and Human Rights (UNGPs)

Scope of Disclosure

TSMC's Human Rights Policy applies to all managers and employees (individuals employed by TSMC in exchange for wages or compensation), affiliated companies, associated enterprises, suppliers, contractors, and partners (customers and communities), as well as other stakeholders

The scope of disclosure in this report is consistent with the consolidated financial statements boundary, covering Taiwan sites (headquarters, all wafer fabs in Taiwan, and advanced backend fabs), TSMC (China), TSMC (Nanjing), TSMC Washington LLC, VisEra, and other subsidiaries. Any deviations from this scope are noted in the relevant section

Report Publication

2024: TSMC published its first Human Rights Report, covering management approaches and progress on salient human rights issues

2025: TSMC published its second Human Rights Report, covering practices and progress on salient human rights issues

2026: TSMC published its first Human Rights Progress Report, updating implementation progress on salient human rights issues

Reading Guides

- The reading guide for this report is as follows
- Click grey underlined text: Links to external URLs or corresponding sections in this report
- Click gold underlined text: Reveals hidden content
- Click ✉: Sends feedback to TSMC's ESG mailbox
- Click ☰: Returns to the table of contents
- Click ↺: Returns to the previous page





About TSMC

Grounded in its global operating network, TSMC connects stakeholders and establishes a value chain that supports sustainable development. By integrating industry-leading global manufacturing with advanced packaging and testing capabilities, and maintaining close ties with the communities where it operates, the Company expands its industry influence while balancing economic development, environmental stewardship, and social responsibility.

TSMC's growth is driven by the innovation and dedication of its more than 90,000 employees. In terms of its market, TSMC supported 534 customers in enabling 12,682 chip innovations in 2025, translating technological value into social progress. On the supply chain side, the Company works with 1,429 Tier 1 suppliers across

a comprehensive support system covering equipment, raw materials, and human resources, collectively advancing the semiconductor industry.

In view of its complex, multi-stakeholder operating structure, TSMC is committed to upholding its Human Rights Policy. Through assessment of salient human rights issues, TSMC focuses on four key stakeholder groups—employees, suppliers/contractors, customers, and communities—and their primary concerns. The Company establishes a preventive human rights governance mechanism and continues to refine management measures to mitigate adverse impacts, fostering an environment where business growth and sustainable value creation go hand in hand.

90,557
Global Employees

Employees



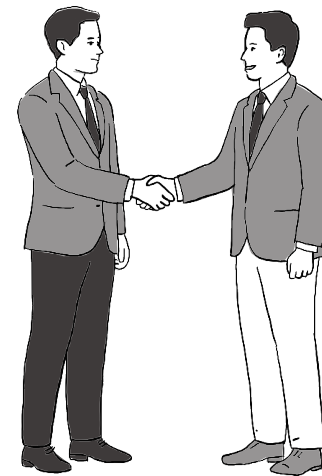
Supply Chain

1,429
Tier 1 Suppliers



Customers

534
Customers



Communities

30
Facilities





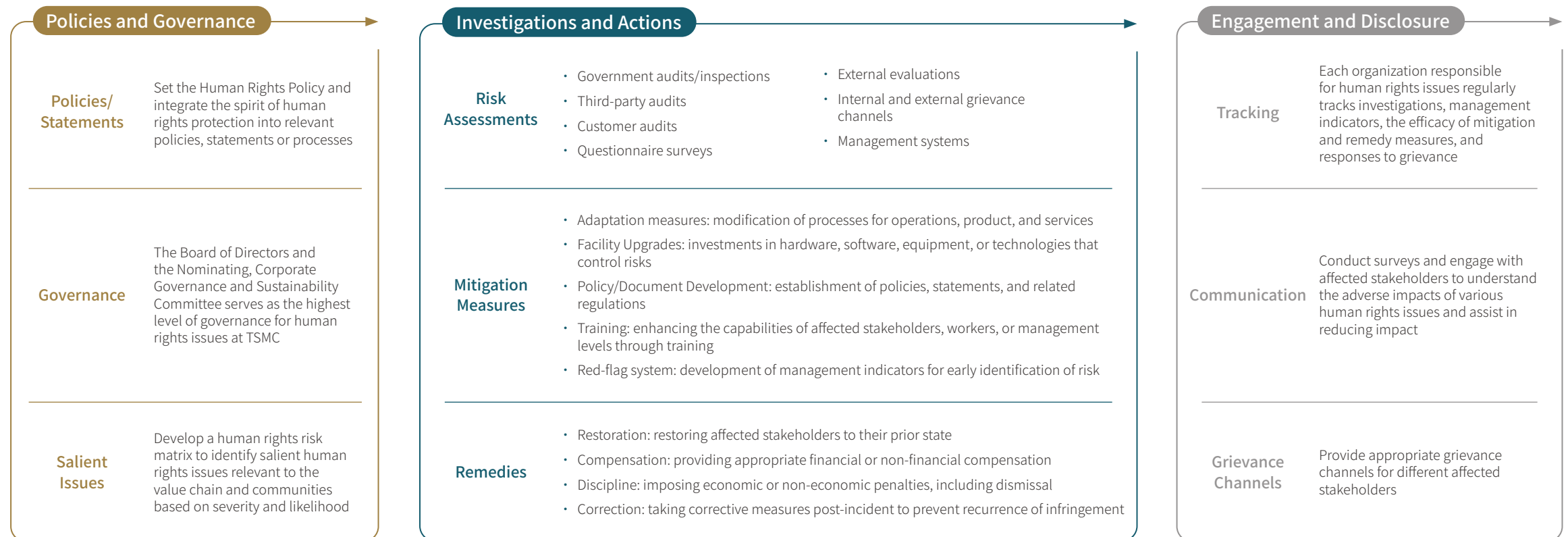
Human Rights Management Framework

Guided by the RBA Code of Conduct, the OECD Due Diligence Guidance for Responsible Business Conduct, and other international standards, TSMC established a systematic human rights due diligence mechanism as the core structure for human rights governance and has developed a system aligned with international standards.

The mechanism covers four stakeholder groups—employees (including affiliated companies), suppliers/contractors, customers, and communities. Through the three management frameworks of Establish

Policy and Governance, Investigate and Take Action, and Enhance Engagement and Disclosure, the Company ensures that all operational areas are subject to management and oversight. TSMC also monitors international trends, industry standards, and stakeholder expectations, and continuously refines its human rights due diligence processes through annual surveys, cross-functional collaboration, tracking of improvement actions, and disclosure to enhance governance effectiveness. For 2025 progress, please refer to the chapters on [Policy and Governance Progress](#), [Investigation and Action Progress](#), and [Engagement and Disclosure Progress](#).

Human Rights Due Diligence





TSMC integrates human rights within its corporate governance and sustainability management structure. The Board of Directors and the Nominating, Corporate Governance and Sustainability Committee serve as the highest oversight body, providing direction for human rights management and evaluating governance outcomes. The ESG Steering Committee and ESG Committee oversee the progress of human rights

management and set and track action outcomes to ensure effective execution. To drive human rights management initiatives company-wide, TSMC established a human rights working group composed of 14 cross-functional units, fully integrating human rights considerations into daily operations and management decisions.

Human Rights Governance Mechanism

Board of Directors/ Nominating, Corporate Governance, and Sustainability Committee

The highest governing body overseeing and committing to human rights issues

ESG Steering Committee

Oversees human rights
management progress

ESG Committee

Establishes and monitors
management outcomes

Human Rights Working Group

Drives efforts in human rights management

Business Development
Corporate ESH Division
Corporate Information Technology
Corporate Planning Organization
Corporate Sustainability Office

Finance
Global Sales
Global Security Management
Human Resources
Legal

Materials Management
Operations
Quality & Reliability
Research & Development





Policy and Governance Progress

To fulfill its human rights commitments and support its global operational footprint, TSMC continuously improves its policies and management mechanisms regarding salient human rights issues. For employees, TSMC applies the principles of Attract, Develop, Deploy, and Retain. In 2025, the Company introduced a Recruiting Policy, a People Development Policy, and an Employee Relations and Retention Policy, while also revising its Total Rewards Policy. Through this comprehensive talent management framework, TSMC works to build an open and inclusive workplace that respects human rights and safeguards decent work conditions. By ensuring fair employment practices and a competitive compensation system, the Company aims to unlock employee potential, enhance

organizational performance, attract top global talent, and realize its People Vision. For suppliers and contractors, TSMC strengthened human rights and safety management throughout its supply chain. In 2025, the Company revised its Supplier Code of Conduct and Supplier Sustainability Standards to prohibit forced labor, require zero recruitment fees for migrant workers, and mandate age verification for young workers to prevent child labor, enhancing human rights risk management in the supply chain. TSMC also issued its statement on Construction Site Safety at TSMC, establishing a separation mechanism between construction and supervision functions and a construction safety training system to prevent operational risks and put occupational safety and health measures into practice. The Company

further revised its Contractor ESH Bluebook, adding requirements and protective measures for winch and manual chain hoist operations, grating demolition and cutting work, and cooling tower entry to help ensure a safe and healthy working environment. For customers, TSMC amended its Rules of Privacy and Personal Data Protection in 2025, further reinforcing regulatory compliance for data transfers and related safeguards to ensure the security of personal data. To enhance environmental sustainability, TSMC also plans to revise its Hazardous Substance Free (HSF) Policy in 2026. The updated policy will clearly set out the Company's hazardous substance management measures, establish a process management system with regular performance tracking, and

ensure that all stages of the product lifecycle meet HSF requirements. Through these efforts, TSMC advances a sustainable manufacturing service model centered on protecting human well-being and the environment. To adapt to an evolving operating environment and continuously improve its sustainability strategy, TSMC plans to introduce four new policies in 2026: an Anti-Discrimination and Anti-Harassment Policy, a Grievance Policy, a Responsible AI Policy, and a Supply Chain Migrant Worker Management Policy. These policies deepen TSMC's commitment to AI ethics, internal and external grievance channels, migrant worker rights, and workplace equality, further advancing human rights protection and sustainable governance across the organization.

2025 Updates to "Policy and Organization" Management Mechanisms



Employees

Documents	Descriptions	Types
Recruiting Policy	Ensure fairness across recruitment, selection, and onboarding to attract talent aligned with TSMC's values and vision	New
People Development Policy	Build a systematic development framework integrating diverse learning opportunities and performance management to unlock employee potential and support continuous innovation and growth for both individuals and the Company	New
Employee Relations and Retention Policy	Foster open communication and an inclusive workplace to strengthen employee belonging and shared purpose, attracting and retaining like-minded talent	New
Total Rewards Policy	Align employee interests with company performance by providing market-competitive compensation and benefits while extending coverage across the global organization	Revised



Suppliers /
Contractors

Documents	Descriptions	Types
Supplier Code of Conduct Supplier Sustainability Standards	Establish clear requirements on modern slavery, employment agreements, energy management, and related issues, helping suppliers understand and uphold international standards and ethical responsibilities	Revised
Construction Site Safety at TSMC	Set high standards for separating construction and supervision roles, enhance construction safety training, and work closely with contractors to embed safety into every phase of fab construction	New
Contractor ESH Bluebook	Reinforce operational requirements and protective measures to meet international ISO management system standards and advance environmental, health, and safety performance	Revised



Customers

Documents	Descriptions	Types
Rules of Privacy and Personal Data Protection	Reinforce regulatory compliance and safeguards for personal data transfers, tighten recipient safeguard requirements to strengthen the management of <u>personal</u> privacy and data security	Revised
Hazardous Substance Free Policy	Apply source reduction to hazardous substance management, ensuring products meet HSF requirements across the full lifecycle and advancing clean production	Revised





Investigation and Action Progress

Employees

TSMC focuses on three key areas for its employees: health and safety, inclusive workplace, and privacy protection. In terms of health and safety, the Company has established a sick-leave absence alert system and enhanced its safety and health website, creating a proactive, intelligent health and safety management environment. To foster an inclusive workplace, TSMC continued training programs and job redesign initiatives for employees with disabilities in 2025. The Company also launched the TSMC ChildCare Benefit Program 3.0 and established the Pride@tsmc employee resource group to embed inclusion into its corporate culture. In addition, TSMC continued to build Information Security awareness in the workforce, delivering training to over 88,000 participants during the year to fortify information security resilience across the organization.

As a Full Member of the Responsible Business Alliance (RBA), TSMC follows the RBA management framework and uses a Self-Assessment Questionnaire (SAQ) to regularly review the management systems, potential risks, and practices of its operating sites across four dimensions: Labor, Health and Safety, Environment, and Ethical Standards. The Company also engages third-party organizations to conduct the RBA Validated Assessment Program (VAP), an objective process that enhances management effectiveness and transparency. In 2025, all six audited fabs achieved full scores, and the complete reports are available to stakeholders on the RBA-Online platform. Starting in 2026, new TSMC fabs will undergo a RBA VAP audit within 18 months after the issuance of factory registration certificates, while existing fabs will continue to be audited at least once every five years, reinforcing TSMC's commitment to responsible operations and corporate governance.

Investigation and Action Progress — Risk Identification and Mitigation Measures

Issues	Key Actions in 2025	Risk Identification	Mitigation Measures
Health and Safety	- Established a sick-leave absence analysis and alert system, using predictive data factors to identify and address potential health risks at an early stage - Integrated digital platforms with immersive training resources to strengthen employees' ability to identify and respond to workplace risks		
Inclusive Workplace	- Delivered inclusive workplace training programs to raise employees' awareness of human rights risks and develop inclusive leadership capabilities - Expanded job redesign initiatives to increase employment opportunities for persons with disabilities and launched the "TSMC ChildCare Benefit Program 3.0" to enhance support for diverse employee groups - Established the Pride@tsmc employee resource group to foster a more supportive workplace		
Privacy Protection	Strengthened information security resilience and awareness through training programs and obtained 60 international Information Security certifications to safeguard confidential information and personal privacy		



In 2025, TSMC remedied human rights incidents related to wages and working hours, health and safety, sexual harassment, and privacy based on four principles—restoration, compensation, correction, and discipline—to minimize impacts and uphold its commitment to respecting and protecting human rights.

Investigation and Action Progress — Remedial Mechanisms

Issues	2025 Incidents	Remedial Actions in 2025
 Wages and Working Hours	2 cases	Restoration Compensation Repaid overtime wages and approved employees' rightful leave entitlements Corrective Required managers to approve overtime and leave applications in accordance with laws and internal work rules
 Health and Safety	25 cases	Restoration Compensation Assisted injured employees with recovery and provided necessary support resources Corrective Established office electrical safety rules and enhanced piping operation training to prevent recurrence
 Sexual Harassment	28 cases	Discipline Applied reassignment or termination depending on severity of misconduct Restoration Compensation Provided counseling and other Employee Assistance Program (EAP) resources to foster a harassment-free workplace Corrective Required all employees to complete the "Building a Harassment-Free Workplace" training course
 Privacy	1 case	Discipline Applied appropriate disciplinary measures depending on severity of misconduct Restoration Rebuilt a workplace environment that safeguards employee privacy Compensation Provided counseling and other EAP resources to mitigate impacts Corrective Enhanced personal data and privacy protection training and required employees to sign compliance commitments to prevent recurrence





Workplace Human Rights Climate Survey

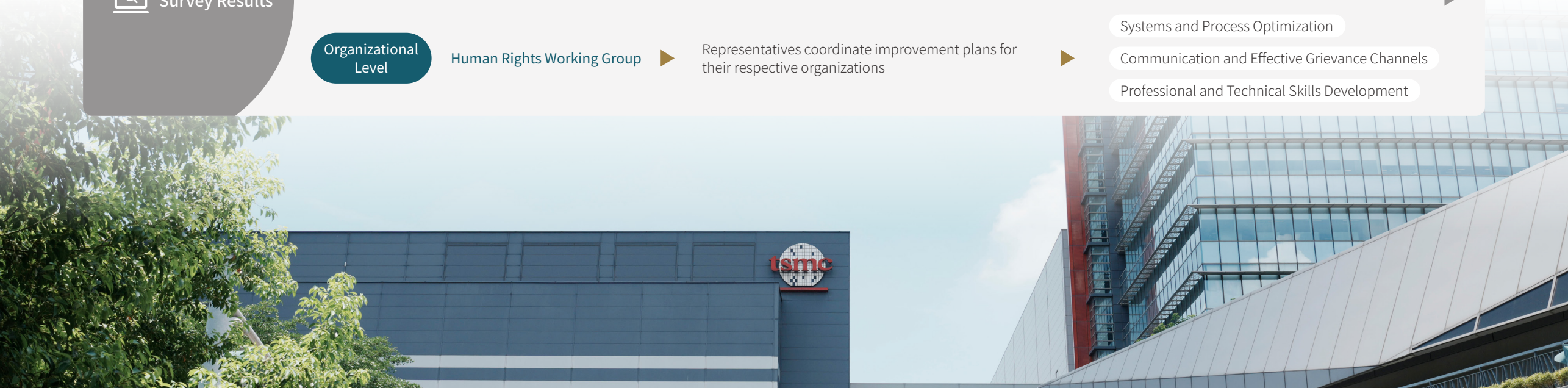
TSMC regularly conducts workplace human rights climate surveys. The Company designed the questionnaire based on the United Nations Development Programme (UNDP) human rights risk indicators for business operations and the MVO Nederland CSR Risk Check human rights impact database to understand global employees' concerns and their feedback on human rights issues. Survey results show employees are focused primarily on six human rights topics: Privacy and Personal Information Protection, Mental Health, Wages and Working Hours, Harassment Prevention, Voice and Participation, and Occupational Health and Safety.

To ensure the effectiveness of human rights improvement measures, TSMC established a governance structure comprising business management units and a Human Rights Working Group. The Company developed five action strategies—Policy and Governance Structure, Values and Culture Transformation, Systems and Process Optimization, Communication and Effective Grievance Channels, and Professional and Technical Skills Development—to drive improvements at both the company and organizational levels in response to the survey results.

Business management units are responsible for company-level improvements, including reviewing and optimizing systems, policies, management mechanisms, as well as hard and soft infrastructure. The Human Rights Working Group develops organizational-level measures based on the issues of highest concern identified in each organization's survey results to ensure employee needs are addressed. TSMC reports progress on these actions to the ESG Committee each quarter and continues to track their effectiveness, using the results to guide further system and management improvements.

Business management units drive company-level improvements, focusing on Safety and Health, Privacy Protection, Workplace Discrimination, and Wages and Working Hours to enhance corporate systems and management mechanisms. At the organizational level, the Human Rights Working Group develops and conducts improvement measures addressing employees' key concerns including Mental Health, Wages and Working Hours, and Voice and Participation.

Human Rights Improvement Framework





Company-Level Improvement Actions

Human Rights Categories	Strategies		Key Actions in 2025
 Safety and Health	Values and Culture Transformation	Health Risk Communication	Conducted <u>workplace risk assessments</u> and risk communication meetings to enhance employees' understanding of health management mechanisms
		Source Engineering Improvements	Adopted a central chemical supply system and noise-reduction engineering for equipment to improve workplace safety and employee health
	Systems and Process Optimization	Process Optimization	Implemented chemical dispensing and automated measurement systems to reduce employee exposure risks, and upgraded <u>protective equipment</u> specifications to enhance on-site protection
 Privacy Protection	Values and Culture Transformation	Compliance Awareness	Delivered training on personal data regulations such as Taiwan's Personal Data Protection Act to strengthen privacy protection culture
		Access Control	Enforced the Principle of Least Privilege (<u>PoLP</u>) and monitored abnormal access activity to ensure secure processing of personal data
	Systems and Process Optimization	Strengthening of Incident Response Mechanisms	Planned the establishment of personal data breach response processes and drills to improve the ability to respond to and recover from information security incidents
	Professional and Technical Skills Development	Technical Safeguards Upgrade	Adopted encryption technologies and multi-layer information security defenses to secure transmission and storage of sensitive data
 Workplace Discrimination	Systems and Process Optimization	Inclusive Facilities	Planned gender-friendly facilities and accessible environments to create a more inclusive and respectful workplace
 Wages and Working Hours	Systems and Process Optimization	Wages and Working Hours Management	Integrated global working hours and overtime management rules under unified principles to comply with local regulations while maintaining operational flexibility
	Policy and Governance Structure	Data Governance Transformation	Drove cross-functional automation of operational reporting and built a single data repository to improve data accuracy



Organizational-Level Improvement Actions

Human Rights Categories		Strategies	Key Actions in 2025
 Mental Health and Psychological Safety	Values and Culture Transformation	Inclusive Leadership	Developed managers' capabilities in open, respectful, and supportive leadership to strengthen teamwork and psychological safety. Actions included psychological safety training, promotion of a "speak with care" workplace culture, and mental health promotion lectures
		Innovation Culture	Encouraged employees to innovate while maintaining effective risk controls and learn from experience. This includes strengthening leadership communication, facilitating the sharing of insights from past failures through various communication channels, and establishing awards to encourage bold attempts at innovation.
	Systems and Process Optimization	Harassment-Free Workplace	Worked to create a discrimination-free and harassment-free workplace to strengthen employee trust and psychological safety, such as introducing a risk alert mechanism and linking performance evaluations to harassment records to reinforce a culture of respect
	Communication and Effective Grievance Channels	Trust-Based Communication	During organizational changes, ensured employees felt heard, understood, and supported. Actions included themed coffee chat sessions and a peer-support "guardian angel" mechanism to encourage employees to express their needs with confidence
 Wages and Working Hours	Systems and Process Optimization	Flexible Work Arrangements	Improved the flexibility and predictability of work scheduling. For example, TSMC enabled remote work applications based on job nature and introduced fixed shift schedules, backup staffing, and a working hours alert system to reduce the risk of excessively long working hours
		Targeted Communication Mechanisms	As the Company expanded, demand for cross-department and internal communication grew sharply, requiring better communication quality and efficiency. TSMC reduced meeting volume, streamlined key performance indicators, and arranged pre-meeting coordination across organizations to lower communication costs
 Voice and Participation	Values and Culture Transformation	Active Listening Culture	Encouraged employees to give constructive feedback to support organizational improvement and innovation by holding regular internal communication sessions and cross-team engagement activities to better understand and respond to employee needs and strengthen a sense of belonging
	Communication and Effective Grievance Channels	Building Trust in Grievance Channels	Established reliable channels for employees to voice concerns and receive appropriate responses. Actions included clear communication of grievance procedures, an independent review team, and enhanced platform security to strengthen employee confidence in the grievance mechanism



Human Rights Due Diligence on Affiliated Companies

TSMC follows the OECD Due Diligence Guidance for Responsible Business Conduct and extends its human rights due diligence to affiliated companies to assess actual and potential human rights risks in these business relationships. In 2025, the Company conducted preliminary due diligence reviews using regulatory compliance records, sustainability reports, and publicly available information, and distributed human rights risk questionnaires to four affiliated companies, achieving a 100% response rate. The questionnaire covered eight categories—

Public Human Rights Policy / Commitment, Dedicated Human Rights Unit, Human Rights Due Diligence, Due Diligence Across the Value Chain, Mitigation and Remedy Measures, Human Rights Training, Disclosure of Human Rights Management Progress, and Grievance Channels Available—to verify implementation of these management practices. Based on the survey results and the definition of significant human rights impacts under the EU Corporate Sustainability Due Diligence Directive (CSDDD), TSMC confirmed that none of its

affiliated companies posed significant human rights risks and that all had established human rights management systems.

For incidents identified through the survey, TSMC verified the implementation of remedial measures for each case, and all affiliated companies completed the required improvements. For wages and working hours, affiliated companies addressed issues by optimizing payroll processes and adopting online working hours review systems.

For harassment and discrimination, affiliates where sexual harassment incidents occurred established prevention policies and grievance channels and made related training mandatory. For environmental protection and health and safety, they addressed environmental penalties and non-serious occupational injuries by adopting alert systems, conducting ongoing regulatory monitoring, and enhancing safety training.

Affiliated Companies' Human Rights Management Systems

Companies	Policies and Governance		Due Diligence and Actions				Engagement and Disclosure	
	Public Human Rights Policy / Commitment	Dedicated Human Rights Unit	Human Rights Due Diligence	Due Diligence Across the Value Chain	Mitigation and Remedy Measures	Human Rights Training	Disclosure of Human Rights Management Progress	Grievance Channel Available
Affiliated Company A	✓	✓	✓	✓	✓	✓	✓	✓
Affiliated Company B	✓	✓	✓	✓	✓	✓	✓	✓
Affiliated Company C	✓	✓	✓	✓	✓	✓	✓	✓
Affiliated Company D	✓	✓	✓	✓	✓	✓	✓	✓





Affiliated Companies' Human Rights Risk Survey

Human Rights Incidents	Descriptions	Remedial Measures
 Wages and Working Hours	Two affiliated companies violated labor regulations due to excessive working hours, failure to pay overtime wages in accordance with the law, and underpayment of wages	Corrective Implemented online working-hour reporting and system checks to enforce working-hour management, and used messaging apps to send reminders to help managers and employees track working hours
		Corrective Reinforced working-hour compliance awareness through internal meetings and ongoing communications
		Corrective Optimized payroll processes and strengthened audit and monitoring mechanisms
 Harassment and Discrimination	Sexual harassment incidents occurred at two affiliated companies	Corrective Established a Sexual Harassment Prevention and Management Policy and set up a dedicated grievance mailbox, with a senior executive serving as the ultimate responsible officer
		Corrective Made sexual harassment prevention training mandatory and ensured employee awareness by regularly promoting grievance channels
		Disciplinary Applied disciplinary measures against the accused in accordance with company rules, along with follow-up counseling and corrective actions
 Environmental Protection	Three affiliated companies were penalized for environmental regulatory violations	Corrective Improved environmental data management and audit processes, introduced a warning system, and implemented a dual-review mechanism to ensure data accuracy
		Corrective Continuously monitored changes in local environmental regulations to ensure compliance of operational procedures
		Corrective Provided training for designated environmental personnel to enhance professional capabilities
		Corrective Collaborated with suppliers to carry out training and management programs on specific environmental issues
 Health and Safety	Three affiliated companies recorded non-serious occupational injuries	Corrective Conducted occupational hazard identification for workplace risks
		Corrective Performed regular occupational safety and health audits to ensure compliance with regulatory requirements
		Corrective Provided health and safety training and awareness programs

Note: All four affiliated companies (100%) completed human rights risk assessments, and no material human rights risks were identified. For affiliated companies with human rights-related incidents, all corresponding mitigation and remedial measures were fully implemented



Suppliers and Contractors

TSMC focuses on four salient human rights issues in its supply chain: health and safety, pollution and chemicals, wages and working hours, and biodiversity. The Company is dedicated to mitigating human rights impacts through risk prevention, alternative material development, responsible recruitment, and nature risk management. In 2025, TSMC centered its approach on data-driven management, using the Suptrack digital quantification platform to integrate information across multiple dimensions

and systematically assess suppliers' human rights and ESG risks. For construction site safety management, 6,823 workers completed immersive simulation training, of whom 6,496 (95.2%) had no subsequent violations. TSMC also practiced responsible procurement, returning more than NT\$780 million in recruitment fees to supplier workers, and developed biodiversity and nature risk assessment guidelines for six categories of renewable energy suppliers, balancing green energy development with ecological protection.

TSMC referenced the United Nations Development Programme (UNDP) human rights risk indicators for business operations to design a 76-question human rights section in its Supplier Self-Assessment Questionnaire (SAQ), covering six dimensions—Governance & Security, Labor Rights, Products & Services Liability, Environmental Rights, Voice & Participation, and Gender Equality—to systematically identify human rights risks in the supply chain. In 2025, TSMC completed assessments of 100% of its Tier-1 suppliers and classified them into five

levels (A to E) based on human rights performance. Suppliers rated D or E, which did not meet TSMC's standards, accounted for 27% of those assessed and were prioritized for corrective guidance. To enhance management effectiveness, the Company built a Supplier Human Rights Management Tracking Platform and combined online courses with in-person workshops, providing benchmark examples, learning materials, and online consultations to track improvement progress. All at-risk suppliers (100%) received mitigation guidance.

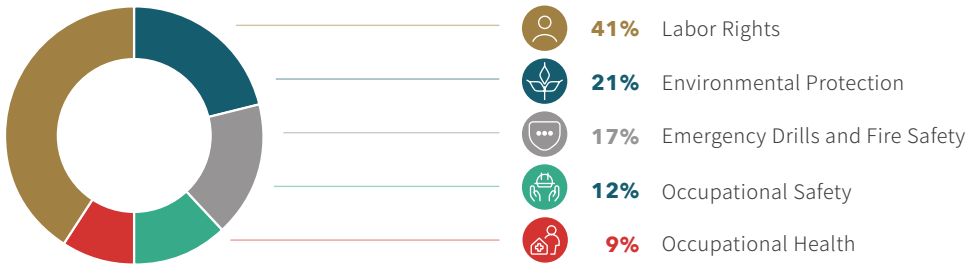
Investigation and Action Progress — Risk Identification and Mitigation Measures

Issues	Key Actions in 2025	Risk Identification	Mitigation Measures
Health and Safety	- Upgraded construction site safety management procedures across four areas: safe environment, behavior, discipline, and certification. Assessed engineering risk for electrical and elevated work, and adopted wireless camera monitoring at the Chiayi fab construction project, using it 1,109 times to manage construction risk - Integrated technology into safety training, introducing <u>six immersive safety training devices</u> at construction sites in Hsinchu, Chiayi, and Kaohsiung, with 6,823 training participations, strengthening on-site safety culture - Delivered an interactive "New Tool and New Chemical Safety Review" course via the <u>Supply Online 360</u> platform for suppliers, building domain knowledge in change management, risk assessment processes, and key review criteria		
Pollution and Chemicals	- Collected data on suppliers with high wastewater discharge risk, established a systematic audit and guidance mechanism, and required suppliers to correctly identify risk items with follow-up tracking - Completed a Tier-1 supplier inventory of PFAS-related regulated materials and processes, tracking 543 supplier sites with management plans in place and 490 sites free of regulated materials. Required PFAS disclosure for all new materials, and launched an alternative materials transition plan		
Wages and Working Hours	Prohibited suppliers from charging recruitment fees to workers, established a proactive audit mechanism, and returned approximately NT\$780 million in recruitment fees to date, putting the "employer pays principle" into practice		
Biodiversity	Developed Biodiversity Screening Guidelines for Renewable Energy Suppliers, establishing a screening framework for six types of power generation (offshore wind, onshore wind, solar, hydro, geothermal, and biomass) to ensure energy transition aligns with ecological sustainability		

Investigation and Action Progress — Remedial Mechanisms

If a supplier or contractor is involved in a human rights impact incident, TSMC requires the company to immediately initiate a remediation process, including restoring conditions to their pre-impact state, carrying out corrective measures, and applying disciplinary actions where necessary. For suppliers that fail to comply with TSMC's Supplier Code of Conduct, refuse to cooperate with audits, or do not complete required improvements within the specified timeframe, the Company will terminate the business relationship if non-compliance continues after communication. In 2025, the top five audit findings were Labor Rights, Environmental Protection, Emergency Drills and Fire Safety, Occupational Safety, and Occupational Health, with a 98% improvement rate.

Top Five Supplier Audit Findings in 2025



Top Five Supplier Audit Findings and Remedial Actions in 2025

	Sub-Categories	Common Audit Findings	Immediate Remedies	Follow-up Mitigation Measures	Improvement Rate
Labor Rights	Non-Discrimination	No designated space for religious activities	Provide designated space for religious activities	Establish policies or procedures to support religious practices	100%
	Freely Chosen Employment	No signed written employment contracts	Execute written employment contracts with workers and provide copies for record-keeping	Revise employment terms to ensure compliance with contract requirements	100%
Environmental Protection	Water Stewardship	No stormwater management plan in place	Assign dedicated stormwater management personnel and establish stormwater flow maps	Conduct regular monitoring and assessment of stormwater discharge	98%
	Solid Waste Management	Improper waste management	Clearly label waste storage areas and containers	Audit general industrial waste removal and disposal contractors	97%
Emergency Drills and Fire Safety	Fire Safety	Fire escape and extinguishing routes obstructed	Clear obstructions from fire escape and extinguishing routes	Conduct monthly inspections of fire extinguishers to ensure functionality	100%
	Emergency Drills	Insufficient emergency response drills	Establish emergency assembly points inside and outside buildings	Conduct annual drills, including nighttime evacuation exercises	98%
Occupational Safety	Electric Shock Protection	Electrical equipment without protective covers	Install electrical shock protection measures, such as insulating barriers in electrical panels	Perform regular preventive maintenance on electrical equipment	98%
	Safety Inspection and Filing	Required building safety inspections not conducted or filed	Complete annual building safety inspection and filing	Schedule an annual safety inspection and filing	96%
Occupational Health	Industrial Health	Work environment monitoring not conducted	Conduct regular monitoring of workplace noise and chemical exposure levels	Develop environmental protection plans based on monitoring results	97%
	Public Health	No infectious disease prevention and response plan in place	Establish infectious disease prevention systems and conduct response drills	Develop preventive measures in line with public health authority guidelines	96%



Customers

TSMC treats Customer Proprietary Information and Personal Data Protection and Product Hazardous Substance Management as salient human rights issues and works to protect customer information and product safety. For information security governance, TSMC continued to review personal data protection regulatory requirements applicable to the Company and its subsidiaries to further

enhance protection measures, and introduced 16 new information security requirements to improve control over confidential information. TSMC also obtained Evaluation Assurance Level 6 (EAL 6) certification under ISO/IEC 15408, Common Criteria for Information Technology Security Evaluation, from Germany's Federal Office for Information Security (BSI) for five additional fabs, providing a

further layer of protection for customer information. In 2025, the Company recorded no incidents involving the improper use of customer proprietary information or personal data.

For hazardous substance management, TSMC follows a prevention-at-the-source approach and advanced an N-Methyl-2-pyrrolidone (NMP) substitution program for etching processes,

lowering NMP usage by 99% compared with the base year. TSMC also established testing capabilities for carcinogenic, mutagenic, and reprotoxic (CMR) substances, moving risk management upstream to the materials and process stages to ensure products meet safety requirements.

Investigation and Action Progress — Risk Identification and Mitigation Measures

Issues	Key Actions in 2025	Risk Identification	Mitigation Measures
Customer Proprietary Information and Personal Data Protection	- Identified potential information security risks associated with remote work and introduced control measures for project-shared folders; continued to review personal data protection requirements applicable to TSMC and its subsidiaries to help ensure global operations maintain compliance with privacy protection requirements - Made personal data protection a mandatory course for new employees and employees with specific access privileges to reinforce information security awareness - Maintained ISO/IEC 27001 Information Security Management System certification and obtained ISO/IEC 15408 EAL 6 certification for five additional fabs		
Product Hazardous Substance Management	- Advanced an NMP substitution program for etching processes, lowering NMP usage by 99% by 2025 compared with the base year of 2016 - Established testing capabilities for CMR substances and completed testing for 100% of materials of concern to verify compliance with safety requirements		





Communities

TSMC views environmental rights as an essential part of human rights protection and focuses on three key areas: pollution and chemicals, water resources, and biodiversity. The Company is committed to minimizing the environmental impacts of its operations and safeguarding community well-being. For pollution and chemicals management, TSMC has strengthened collaboration with academic and research institutions to advance PFAS treatment, alternative technologies, and environmental impact assessments. The Company also adopted the digital i-SDS (Intelligent Safety Data Sheet) chemical management system and completed hazard identification for 254 mixed chemicals. For water stewardship, TSMC aligns with government initiatives on diversified water resource development. In 2025, TSMC signed new agreements for 136,000 cubic meters

of desalinated seawater, launched a reclaimed water plant project at TSMC Arizona, and plans to adopt Near Zero Liquid Discharge technology to improve the efficiency of water recovery. JASM continued to advance groundwater recharge projects, continuing to carry out its sustainability commitments.

Regarding biodiversity conservation, TSMC integrates fab-site restoration with habitat improvement, species conservation, and environmental education, and extends its efforts across government, industry, academia, and research sectors through citizen science programs, scholarships, and international forums. In 2025, TSMC recorded no major pollution incidents, reflecting its commitment to green operations through concrete action.

Investigation and Action Progress — Risk Identification and Mitigation Measures

Issues	Key Actions in 2025	✔ Mitigation Measures
 Pollution and Chemicals	✔ Adopted four key strategies—identify raw materials, prioritize regulated substances, evaluate alternative technologies, and develop wastewater treatment technologies—to conduct forward-looking international research on water resources and PFAS treatment, and completed the early phase-out of 42 C6 PFAS-containing photoresists at its subsidiaries, well ahead of regulatory deadlines ✔ Enhanced PFAS testing capabilities by introducing a <u>filtration-direct analysis method</u>, reducing testing time from 105 minutes to 15 minutes and improving efficiency by 86%, and deployed the method across global fabs ✔ Completed hazard identification for 254 mixed chemicals through the i-SDS system, and proactively prepared for total phosphorus discharge standards by combining source reduction with end-of-pipe treatment technology, ensuring both existing and new fabs meet regulatory requirements ahead of schedule ✔ Applied a real-time air pollution monitoring system to reduce detection time for <u>one alkaline gas and four acidic gases</u> from one week to one minute, and installed 36 units to upgrade the air pollution defense network across its fabs	
 Water Resources	✔ Launched a reclaimed water plant construction project at TSMC Arizona and adopted Near Zero Liquid Discharge technology to improve water recycling rates; advanced groundwater recharge projects at JASM, restoring 8 million cubic meters of groundwater ✔ Signed new desalinated seawater purchase agreements in Taiwan with a daily capacity of 136,000 cubic meters to enhance water resilience	
 Biodiversity	✔ Partnered with The Nature Conservancy at TSMC Arizona to improve water efficiency in the Verde River water conveyance system and enhance aquatic ecosystems ✔ Applied for <u>OECM</u> certification at Fab 15A, restored the <i>Squalidus Banarescui</i> population, and successfully bred offspring, becoming the first semiconductor company in Taiwan to restore an endangered species on its fab site ✔ Trained 3,978 citizen scientists through iNaturalist and eBird Taiwan, held the International Biodiversity Forum and Award Ceremony recognizing 22 projects, and completed assessments of 14 potential ecological corridors	



Engagement and Disclosure Progress

In 2025, TSMC established a human rights protection network covering four stakeholder groups—employees, suppliers/contractors, customers, and communities. The framework is built on two dimensions: human rights knowledge building and diverse communication mechanisms, forming an integrated cycle of awareness, grievance, and response to fulfill the Company's responsibilities in human rights management. In terms of human rights knowledge building, the Company has designed differentiated training programs tailored to the characteristics and needs of each stakeholder group, covering topics such as workplace safety, human rights awareness, information protection, and environmental sustainability to ensure effective knowledge transfer. In terms of diverse communication mechanisms, TSMC has developed a range of grievance channels to enable stakeholders to voice concerns, with designated organizations tracking and addressing each case to build stakeholder confidence in human rights protection.



Human Rights Knowledge Building

Proactively share knowledge, policies, and standards with stakeholders through training programs, lectures, and educational materials



Diverse Communication Mechanisms

Enable stakeholders to provide feedback and receive timely responses and follow-up through grievance channels, suggestion boxes, and whistleblowing systems



Employees

321,597 Cumulative Participants

Employee participation in occupational safety training



Suppliers/ Contractors

32,775 Cumulative Participants

Participation in occupational safety training by new and existing contractors



Customers

151,012 Participants

Employees completed training relevant to personal data protection regulations



Communities

3,978 Participants

Participation in iNaturalist citizen scientist cultivation programs and eBird Taiwan bird database survey volunteer training by students and members of the public





Employees

Grounded in the two core principles of respect and safety, TSMC has built an employee training system and established feedback channels spanning routine opinion collection and formal reporting mechanisms. Together, these measures encourage employees to voice concerns and promote an inclusive workplace, human rights commitments, and a safety culture. To foster a respectful, supportive work environment and deepen employees' understanding of human rights values, TSMC offers the "Human Rights Fundamentals" and "Understanding TSMC's Human Rights Policy – Building a Harassment-Free Workplace and Eliminating Sexual Harassment" online courses. It also provides training programs by job grade on zero harassment, anti-bullying, and inclusive leadership. In 2025, the Company introduced a series of courses on the legal

boundaries and prevention of workplace bullying, sharpening managers' awareness of conduct standards and bullying prevention. When employees raise concerns, the Company refers them to the appropriate organizations for prompt and confidential handling, helping protect their rights and build trust. TSMC also provides information protection training to all employees to raise their awareness of privacy and data security.

In terms of safety, TSMC focuses on reinforcing safety communication and diversifying safety training. Through ESH promotional activities, VR-based immersive experiences, and other initiatives, the Company builds employee awareness of workplace safety and extends its safety culture to contractors by cultivating selected contractors as promotion partners to co-create a zero-injury, employee-friendly workplace.

2025 Education and Training Program

Wages and Working Hours

Training Subjects	Target Groups	Number of Participants	Duration (Hours)
New Employee Orientation	New employees	8,600	0.58
Working Hours and Leave Management	New technicians	1,998	3
Working Hours and Leave Management	Newly appointed deputy managers	434	1

Terms of Employment/Workplace Discrimination/Sexual Harassment

Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Inclusive Leadership Workshop	Managers	3,472	2-4 ^{Note}
"Zero Tolerance for Workplace Harassment – TSMC Caring" In-person Course	Frontline manufacturing supervisors	286	2
"Understanding TSMC's Human Rights Policy – Building a Harassment-Free Workplace and Eliminating Sexual Harassment" Online Course	All employees	80,938	0.5
"Zero Tolerance for Workplace Bullying – Legal Boundaries and Prevention of Workplace Bullying" Online Course NEW	Managers	7,983	1.5
Human Rights Literacy Online Course	All employees	65,689	0.25

Note: Senior managers–2 hours; mid-level managers–3.5 hours; entry-level and newly appointed managers–4 hours; advanced course for newly appointed managers– 3 hours.

Security

Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Safety Moment Course	All employees	168,514	1
Environmental Protection, Safety and Health Month	All employees	1,384	2
General Occupational Safety and Health Training	New employees	11,875	3
Occupational Safety and Health Training for Newly Appointed or Transferred Supervisors	Managers	1,545	6
Annual Section-Level ESH Refresher Training	Employees involved in the manufacturing, handling, or use of hazardous substances	30,171	1
Annual Fire Safety Training	All employees	44,533	1
Annual Evacuation Drill	All employees	63,575	0.5

Privacy

Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Information Protection	All employees	88,933	0.3

Health and Safety

Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Health Lecture	All employees	3,023	1



Cases Reported through Employee Voice Channels

Employee Feedback Channels		2021	2022	2023	2024	2025
Ombudsman System		231	251	252	257	337
Employee Opinion Box		1,297	1,565	1,604	1,861	1,662
Whistleblower Procedures		4	1	8	12	6
Fab Caring Circle		2,831	2,899	2,924	2,994	2,287
Sexual Harassment Investigation Committee		14	19	35	50	45
Irregular Business Conduct Reporting System		92	83	88	89	122
Occupational Injury and Disease Investigation Committee and Safety and Health Feedback Channels		5	1	7	1	1



Number of Verified Cases through Employee Voice Channels

Salient Issues	Category of Complaints	2021	2022	2023	2024	2025
Wages and Working Hours	Attendance or leave management	3	1	1	5	1
Wages and Working Hours	Overtime reporting control	2	3	2	1	1
Workplace Discrimination/Gender Discrimination	Discrimination	0	0	0	0	0
Sexual Harassment	Sexual Harassment	11	14	23	28	28
Privacy	Violations of the Personal Data Protection Act	1	3	2	1	1
Security	Occupational diseases and safety and health	2	0	1	1	0



Suppliers/Contractors

TSMC works to empower suppliers/contractors to build their own human rights and sustainability management capabilities. For suppliers, TSMC applies tiered training based on human rights audit ratings and provides specialized workshops and guidance on management platform operations for high-risk suppliers, ensuring resources are directed toward critical areas for improvement. TSMC also integrates carbon management and sustainable raw materials to support suppliers in meeting the Company's sustainability standards. For contractors, all new contractors are required to complete basic occupational safety and health training. Under TSMC's Internal Control Operating Procedures for ESH Training, contractors stationed on-site and handling chemicals are further required to complete personal protective equipment training and annual emergency response drills, strengthening their risk response capabilities.

2025 Education and Training Program

Applicable to All Issues			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Supplier Human Rights Management Enhancement Program (English session)	Tier-1 suppliers	39	1
Supplier Human Rights Workshop	Suppliers rated D or E in human rights assessments	77	1
Supplier Human Rights Management Platform Briefing	Suppliers rated D or E in human rights assessments	118	0.5
Supplier RBA Audit Briefing	Audited suppliers	65	3
Supplier Sustainability Audit Course	Procurement staff	49	3

Climate and Energy			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Supplier Carbon Emissions Management and Carbon Management Tool Briefing (2 sessions)	Procurement staff	28	3
Supplier Carbon Reduction Target Setting and Carbon Emissions Data Collection Briefing (2 sessions)	Procurement staff	32	2
Supplier CDP Training Course (3 sessions)	CDP-participating suppliers	151	6.5
1+N Carbon Management Workshop (2 sessions)	Taiwan-based suppliers	127	17

On communication mechanisms, TSMC has established a Supply Chain Employee Grievance Channel on Supply Online 360, an online global responsible supply chain platform. In 2025, the channel received nine grievance cases covering issues including wages and working hours, health and safety, discrimination and harassment, and tier-two supply chain human rights management. All cases were promptly verified upon receipt, assigned to designated units for handling, and overseen by the Grievance Handling Committee with confirmation by the highest responsible officer, ensuring a rigorous and confidential process. Beyond clarifying and addressing complaints, TSMC improves management practices based on individual cases and requires suppliers to take corrective actions in line with the Supplier Code of Conduct. These efforts enhance transparency and effectiveness in supply chain human rights management and reflect the Company's dedication to fulfilling its responsibility to the industry.

Tier 2 Supply Chain Human Rights Management/Climate and Energy/Health and Safety			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Supply Chain Sustainability Forum	Suppliers rated E in human rights assessments; critical carbon-emitting suppliers; new fab construction contractors	160	30
Supplier Human Rights Management Enhancement (English-language session)	Overseas suppliers	35	0.5

Sustainable Raw Material			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Sustainable Raw Materials Training and Procurement Policy	Tier-1 suppliers with metal content > 50% of product composition	21	1
DJSI Sustainable Raw Materials Procurement Management	Procurement staff	14	1

Health and Safety			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
New Contractor Occupational Safety and Health Training	New contractors	27,962	3
Contractor Personal Protective Equipment Training	Existing contractors	3,734	2
Annual Contractor Emergency Response Drill	Existing contractors	1,079	4



Number of Grievances Received through Supplier Feedback Channels

Salient Issues	Details of Grievance Cases	2021	2022	2023	2024	2025
Wages and Working Hours	Wage payment disputes; unclear definition of overtime hours and unpaid overtime compensation	0	2	1	3	2
Health and Safety	Concerns regarding on-site operations	0	0	3	0	2
Discrimination and Harassment	Business disputes, unequal treatment, and labor insurance-related issues	4	0	3	4	4
Privacy	Protection of confidential information	0	1	1	0	0
Tier 2 Supply Chain Human Rights Management	Supply chain quality management system	0	0	0	0	1





Customers

TSMC proactively builds employees' awareness of regulatory requirements and operational practices for customer information protection, with training covering customer confidential information and personal data protection, as well as product hazardous substance management. Regarding customer confidential information and personal data protection, the Company delivers online courses on information security courses and annual ethics and compliance course to ensure all employees maintain an overall understanding of information protection and regulatory compliance. Starting in the fourth quarter of 2025, TSMC added an "Introduction to Personal Data Protection" course as a mandatory requirement for new employees, to be completed within 30 days of onboarding. Employees with specific data access privileges are also required to complete the personal data protection course to strengthen their awareness of the topic. On product hazardous substance management, the Company provides specialized training for new employees in the Operations, R&D, and Quality and Reliability organizations, ensuring they have the knowledge to manage these materials correctly and safeguard all aspects of customer information and product safety.

To better understand customer needs and strengthen trust, TSMC gathers and responds to customer feedback through diverse communication channels including annual customer satisfaction surveys, quarterly review meetings, and ad hoc sessions and incorporates key customer concerns into day-to-day operations to help prevent potential human rights risks. Through effective communication and preventive mechanisms, no grievance cases related to customer confidential information protection or hazardous substances were reported in 2025.

Number of Grievances Received through customer Feedback Channels

Salient Issues	2021	2022	2023	2024	2025
Customer Proprietary Information and Personal Data Protection	0	0	0	0	0
Product Hazardous Substance Management	0	0	0	0	0

2025 Education and Training Programs

Customer Proprietary Information and Personal Data Protection			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Information Protection	All employees	88,933	0.3
Annual Ethics and Compliance Course — Personal Data Protection Compliance Section	All employees	151,012	0.2
Introduction to Personal Data Protection	New employees	2,776	0.2
	Employees with specific data access privileges	7	0.2
Information Security Training Course	Customer Service Division staff	12 sessions, averaging 107 participants	0.5

Product Hazardous Substance Management			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Hazardous Substance Process Management System Introduction	New employees in Operations, R&D, and Quality & Reliability organizations	5,762	0.5



Communities

TSMC regards ecological sustainability and environmental protection as central to fulfilling its human rights responsibilities toward communities and uses education and training as its primary channels. Internally, TSMC has established a Facility Academy offering tiered training on water treatment and air pollution control systems, ranging from foundational operations and maintenance training for new employees to advanced courses on complex system design and optimization. Through this framework, TSMC develops environmental management professionals and ensures effective pollution control with high standards that reflects the Company's sustainability commitments. Externally, TSMC raises ecological awareness among the public and students through the TSMC Central Taiwan Science Park Ecological Park and the TSMC Southern Taiwan Science Park Reclaimed Water Plant Environmental Education Learning Park. Through the [Eco Plus! Ecological Harmony Program](#), the Company works to restore species and habitats, [supports promising talent and research](#), and integrates citizen science tools including the eBird Taiwan bird database, the Merlin Bird ID app, and iNaturalist to advance biodiversity mainstreaming.

In 2025, TSMC applied to the Forestry and Nature Conservation Agency of the Ministry of Agriculture for Other Effective Conservation Measures (OECM) certification, using Fab 15A as the designated site. The Company also hosted an OECM and On-site Habitat Creation Strategy and Practice Workshop, inviting the Agency to share the core principles and practical applications of OECM, and engaging [16 suppliers](#) in the on-site close-to-nature forest area to install nest boxes together, working together to facilitate the coexistence of manufacturing, life, and ecology.

TSMC gathers public feedback through its ESG mailbox and Irregular Business Conduct Reporting System, maintaining open communication channels with the community. In 2025, the Tainan fab received one noise complaint filed by a resident with the relevant authorities. Upon investigation, the noise sources were identified as cooling towers and air ducts. TSMC responded promptly by installing sound-dampening blankets on the cooling towers and silencers on the air ducts, and has planned the long-term installation of additional noise barriers to further reduce the impact of fab operations on surrounding communities.



Number of Grievances Received through Communities Feedback Channels

Salient Issues	2021	2022	2023	2024	2025
Climate and Energy	0	0	0	0	0
Biodiversity	0	0	0	0	0
Pollution and Chemicals	0	0	0	0	1

2025 Education and Training Programs

Pollution and Chemicals			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Facility Academy – Entry-Level Water Treatment System Course	Facility staff (Taiwan: 154; overseas: 4)	158	183 days (Taiwan)/ 31 days (overseas)
Facility Academy – Advanced Water Treatment System Course	Facility staff	25	1 day
Facility Academy – Entry-Level Air Pollution Control System Course	Facility staff (Taiwan: 138; overseas: 10)	148	148 days (Taiwan)/ 40 days (overseas)
Facility Academy – Intermediate Air Pollution Control System Course	Facility staff	921	19 days
Facility Academy – Advanced Air Pollution Control System Course	Facility staff	64	1 day
Air Pollution Control Technology Workshop	Facility staff	176	4

Climate and Energy			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
Energy Saving and Carbon Reduction Proposal Training	Proposers and Reviewers (Energy and Carbon Saving)	3,569	0.5

Biodiversity			
Training Subjects	Target Groups	Number of Participants	Duration (Hours)
OECM and On-site Habitat Creation Strategy and Practice Workshop	TSMC employees, suppliers, and contractors	32	3.5
eBird Taiwan Bird Database Survey Volunteer Training	General public	840	2
iNaturalist Citizen Scientist Cultivation Program	General public and elementary and junior high school students	3,138	1.5
TSMC Central Taiwan Science Park Ecological Park Environmental Education	General public	3,192	2
TSMC Southern Taiwan Science Park Reclaimed Water Plant Environmental Education	General public	2,971	2

Appendix

Management Indicators

Employees					
Management Indicators	2021	2022	2023	2024	2025
Verified cases of complaints related to working hours	5	4	3	6	2
Employee sick leave absenteeism rate (%) ^{NOTE 1}	-	-	1.13	1.10	1.12
Women in management (%)	13.0	13.3	14.1	14.6	15.0
Percentage of women among hires of newly graduated technical professionals (%)	21.3	23.7	28.4	28.7	27.8
Verified cases of sexual harassment	11	14	23	28	28
Verified cases of discrimination	0	0	0	0	0
Employees with disabilities hired (%)	1.1	1.0	1.0	1.0	1.0
Verified cases of irregular business conduct	4	4	5	1	2
Verified cases of employee personal data breaches	1	3	2	1	1
Disabling injury frequency rate (FR) ^{Note 2}	0.38	0.27	0.35	0.26	0.34
Disabling injury severity rate (SR) ^{Note 2}	7	3	4	3	3
Cases of occupational diseases caused by exposure to chemicals	0	0	0	0	0

Note 1: This management indicator was introduced in 2025; therefore, there are no results available for 2021–2024.

Note 2: The data covers TSMC’s Taiwan fabs, TSMC (China), TSMC (Nanjing), TSMC Washington, LLC, TSMC Japan 3DIC R&D Center, TSMC Arizona, JASM and VisEra.



Suppliers/Contractors

Management Indicators	2021	2022	2023	2024	2025
Disabling injury severity rate (SR) of contractors at TSMC's operation sites ^{Note 1}	9	11	82	72	63
Disabling injury frequency rate (FR) of contractors at TSMC's operation sites ^{Note 1}	0.19	0.37	0.18	0.30	0.07
Percentage of high-risk contractors with ISO 45001 certification for occupational safety and health management system (%)	65	65	80	100	100
Achieve an average human rights rating of Grade B (score 85) on the SAQ for tier 1 suppliers ^{Note 2}	–	–	–	Grade C (score 77)	Grade C (score 78)
Require suppliers to conduct due diligence for responsible mining; % of legally compliant mines (%)	100	100	100	100	100
Annually audit suppliers for due diligence in responsible mining	3	5	3	3	3

Note 1: The data covers TSMC's Taiwan fabs, TSMC (China), TSMC (Nanjing), TSMC Washington, LLC, TSMC Japan 3DIC R&D Center, TSMC Arizona, JASM and VisEra.

Note 2: This management indicator was introduced in 2024; therefore, there are no results available for 2021–2023.

Customers

Management Indicators	2021	2022	2023	2024	2025
Customer trust and satisfaction metrics (%)	88	92	94	96	96
Third-party information security evaluation results (score)	99	99	98	99	99
Customer information security review/audit (occurrences)	4	4	6	9	8
Product complies with customer/regulatory hazardous substances requirements (%)	100	100	100	100	100



Communities

Management Indicators

2021

2022

2023

2024

2025

Scope 1 GHG emissions (metric ton-CO ₂ equivalent)	2,151,937	2,018,789	1,596,031	1,825,872	2,196,493
Scope 2 GHG emissions (metric ton-CO ₂ equivalent) (market-based method)	8,152,497	9,539,765	10,187,387	10,957,397	11,130,568
Scope 2 GHG emissions (metric ton-CO ₂ equivalent) (location-based method)	9,196,964	10,887,145	11,466,118	12,674,921	13,629,844
Scope 3 GHG emissions (metric ton-CO ₂ equivalent) ^{Note 1}	6,049,256	7,429,158	7,616,655	8,223,173	36,299,005
Reduction in unit water consumption (liters/12-inch equivalent wafer mask layer) (base year: 2010) (%)	Down 14.9	Down 2.6	Up 25.2	Up 14.3	Up 8.8
Global Water Positive achievement rate (%) ^{Note 2}	—	—	—	—	21
Replacement of water resources with reclaimed water (%)	—	—	12	17	18
Reduction rate of water pollution composite indicator (%)	42.5	54.3	63.4	63.3	61.9
Reduction in air pollutant emissions per unit of production (%)	54	59	50	47	58
Reduction rate of volatile organic gases (%)	98.4	98.9	99	99	98.9
Abnormal incidents in air pollution control equipment	0	0	0	0	0

Note 1: TSMC committed to Science Based Targets (SBT) in 2025 and reviewed and updated its GHG inventory scope to align with Science Based Targets initiative (SBTi) requirements.

Note 2: This management indicator was introduced in 2025; therefore, there are no results available for 2021–2024.



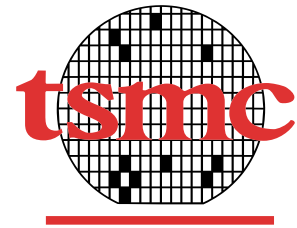
TSMC SAQ and VAP Results

		SAQ	VAP				
Site	Fab	2025	2021	2022	2023	2024	2025
Taiwan Sites	Headquarters	96.2	-	-	-	-	-
	Fab 2	85.4	-	-	200	-	-
	Fab 3	74.8	-	-	-	-	-
	Fab 5	85.4	200	-	200	-	200
	Fab 6	74.7	-	-	-	-	-
	Fab 8	86.8	-	-	200	-	-
	Fab 12A	84.8	200	-	-	200	-
	Fab 14A	84.4	-	200	-	-	-
	Fab 14B	83.2	200	-	-	200	-
	Fab 15A	83.4	200	-	200	-	200
	Fab 15B	85.4	200	200	-	200	-
	Fab 18A	83.5	200	-	200	-	200
	Fab 18B	74.8	-	-	-	-	200
	Advanced Backend Fab 1	75.8	-	-	-	-	-
	Advanced Backend Fab 2	77.7	-	-	-	-	200
	Advanced Backend Fab 3	84.8	200	-	200	-	200
	Advanced Backend Fab 5	83.4	-	-	200	-	-
	Advanced Backend Fab 6	74.4	-	-	-	-	-
Subsidiaries	VisEra	96.5	-	-	-	-	-
	TSMC (China)	77.6	-	-	-	-	-
	TSMC (Nanjing)	72.2	-	-	-	-	-
	TSMC Washington, LLC	86.3	-	-	-	-	-

Note 1: Based on RBA explanatory notes, the 2025 SAQ not only includes corporate self-assessment responses but also incorporates country and industry-specific risk scores for overall evaluation. Self-Assessment Questionnaire (SAQ) Categories: Low Risk (≥ 80), Medium Risk (≥ 60 & <80), and High Risk (<60)

Note 2: Validated Assessment Program (VAP): The perfect score is 200 points.

Note 3: 100% of TSMC’s operating sites have conducted human rights risk assessments utilizing the RBA SAQ, with 0 fabs classified as high risk. The Company is committed to further enhancing its risk management and strengthening operational resilience.



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