



Grievance Policy

Purpose

TSMC is committed to upholding human rights and conducts human rights due diligence in accordance with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, systematically identifying, preventing, and mitigating potential human rights impacts. To put this commitment into practice, the Company has established an effective grievance mechanism as an important measure for human rights remediation.

This Policy follows the effectiveness criteria for grievance mechanisms set out in the United Nations Guiding Principles on Business and Human Rights and the Accountability and Remedy Project. TSMC has established grievance processes that are legitimate, accessible, equitable, and transparent, and maintains a zero-tolerance approach toward retaliation, discrimination, or suppression of any kind, ensuring that stakeholders have access to effective remedies when their rights are affected.

Scope

This Policy applies to cases submitted through TSMC's grievance channels and covers all managers and employees of TSMC and its subsidiaries (individuals employed by TSMC who perform work in exchange for wages or compensation), as well as affiliates, associated enterprises, suppliers, contractors, partners (customers and communities), and other stakeholders.

Human rights topics covered under this Policy include, but are not limited to, Wages and Working Hours, Health and Safety, Terms of Employment, Workplace Discrimination, Pollution and Chemicals, Climate and Energy, Biodiversity, Privacy, Sexual Harassment, Gender Discrimination, Management of Hazardous Substances in Products, and Customer Proprietary Information and Personal Data Protection.

TSMC Human Rights-Related Policies

- Human Rights Policy
- Global Inclusive Workplace Statement
- TSMC Anti-Discrimination and Anti-Harassment Policy
- Safety and Health Policy
- Policy on Right to Privacy
- Information Security Statement
- TSMC Responsible Artificial Intelligence Policy
- Environmental Policy
- Climate Change Statement
- Biodiversity Statement
- Water Statement

- Sustainable Raw Material Policy
- TSMC Hazardous Substance Free Policy
- Supplier Code of Conduct
- Supplier Sustainability Standards
- Supply Chain Migrant Worker Management Policy
- Construction Site Safety at TSMC

Primary Grievance Channels

TSMC has established multiple grievance and communication channels to enable stakeholders to report human rights-related incidents. The primary channels include:

- **Ombudsman System:** For employees to report workplace-related human rights issues
- **Supply Online 360 Supply Chain Employee Grievance Channel:** For suppliers, contractors, and their employees to report supply chain-related human rights issues
- **Irregular Business Conduct Reporting System:** For stakeholders to report violations of business integrity, ethical standards, or laws and regulations
- **Sexual Harassment Complaint Handling Committee:** Processes workplace sexual harassment complaints
- **ESG Mailbox:** For stakeholders to report environmental, social/human rights, and governance-related issues
- **Other Channels:** For human rights-related incidents submitted through channels other than those listed above

Grievance Handling Principles

TSMC follows the United Nations Guiding Principles on Business and Human Rights and upholds the following eight principles to establish a grievance mechanism that is trusted, accessible, and effective for stakeholders.

- **Legitimacy:** Personnel with human rights expertise oversee the mechanism, with institutional safeguards in place to ensure independence, avoid conflicts of interest, and establish a credible grievance channel.
- **Accessibility:** TSMC protects complainants' personal data, proactively explains grievance channel procedures and complainants' rights through awareness programs and training, and provides diverse communication channels, multilingual support, and anti-retaliation protections to ensure stakeholders can access the mechanism without barriers.
- **Predictability:** TSMC discloses grievance procedures, applicable parties, and remediation measures, and clarifies the mechanism's authority and limitations to complainants, ensuring a clear and understandable process.
- **Equitability:** TSMC respects complainants' autonomy, ensures reasonable access to necessary information and opportunities to express their views, and protects their privacy throughout the process.
- **Transparency:** TSMC keeps complainants informed of case progress and, while safeguarding their safety, discloses grievance case information in an anonymous manner.
- **Alignment with Human Rights Standards:** Remediation measures align with international human rights standards, consider cultural, regional, and gender differences, and maintain two-way communication with complainants.

- **Continuous Learning:** The grievance mechanism serves as an important tool for human rights due diligence. TSMC systematically analyzes cases, gathers feedback from stakeholders, and regularly evaluates outcomes, transforming experience into actions to optimize its systems.
- **Engagement and Dialogue:** TSMC resolves disputes through mediation and communication, incorporates stakeholder perspectives, and continues to improve the grievance mechanism.

Grievance Handling Process

- **Step 1 – Acceptance**

Upon receiving a grievance, TSMC conducts a preliminary assessment to determine whether the case should be accepted. Once accepted, the designated unit conducts an investigation and notifies the complainant according to applicable procedures or contacts the complainant as needed to request additional information.

- **Step 2 – Investigation**

The designated unit verifies facts and gathers relevant documents and information to determine whether the grievance is substantiated. If the grievance is found to be unsubstantiated, the unit closes the case with documented reasons.

- **Step 3 – Notification and Resolution**

Based on the investigation results, the designated unit develops an appropriate remediation plan and communicates with the complainant in accordance with applicable procedures.

- **Step 4 – Improvement and Follow-Up**

TSMC implements remediation and corrective measures, including mediation, disciplinary actions, management improvements, and system adjustments. After case closure, TSMC continues to track the effectiveness of these measures to prevent similar incidents from recurring.

Continuous Improvement

TSMC monitors regulatory trends, international initiatives, and stakeholder feedback. The Company regularly reviews this Policy and its management practices and revises and refines them as needed to ensure the effective implementation of its human rights grievance mechanism.



C.C. Wei
Chairman and CEO
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