



Responsible Artificial Intelligence Policy

TSMC is committed to the responsible use of artificial intelligence (AI). This Responsible AI Policy outlines the principles that TSMC follows when using AI, and serves as a core element of its AI governance framework. AI technology continues to develop and change rapidly, with new opportunities and risks emerging. Therefore, TSMC will continuously review and update its AI governance framework to address the changing landscape and technical developments.

AI Governance Structure

TSMC's AI governance framework includes the Board of Directors, the Audit & Risk Committee, the Risk Management Steering Committee, and the AI Center of Excellence (AI CoE). Composed of multidisciplinary functions, the AI CoE ensures systematic and effective AI management across the enterprise. Specifically, it is responsible for developing governance frameworks, policies, guidelines, processes, and best practices to mitigate AI-related risks and foster responsible and trustworthy deployment of AI technologies.

Human-Centric Approach

TSMC adopts a human-centric approach to AI, ensuring its systems are designed to augment human capabilities, uphold fundamental human rights, and adhere to the highest ethical standards. This commitment prohibits the deployment of AI systems that engage in purposefully manipulative behavior, exploit human vulnerabilities, conduct social scoring, or use biometric data for unauthorized tracking or profiling as well as categorizing of individuals to deduce or infer special categories of data, thereby safeguarding human dignity and autonomy.

Fairness and Privacy

- **Fairness and non-discrimination:** TSMC strives to avoid potential biases in the use and deployment of AI. Relevant stakeholders participate in the AI deployment process and throughout the lifecycle.
- **Inclusiveness:** AI systems are accessible to all, irrespective of disability, gender, ethnicity, or other factors.
- **Data Protection:** TSMC protects and respects privacy rights in the use and deployment of AI. TSMC will only use personal data in the AI systems to the extent permitted by applicable law. This includes following the principle of data minimization, being transparent about the need for any personal data collection, allowing user choice and control, excluding the use of sensitive personal data unless necessary, and implementing measures to mitigate security risks.

Transparency and Clear Boundaries

- **Transparency:** TSMC deploys its AI systems to ensure their operation is transparent and their outputs are interpretable. Users of our AI systems will be provided with sufficient information to enable them to use the system responsibly and safely. Further, persons shall be informed when they are directly interacting with AI.

- **Clear Boundaries:** TSMC's AI systems are deployed with clearly defined scopes, delineating what they are designed to do, their inherent limitations, and where human decision-making remains paramount.

Security and Safety

- **Robustness:** AI systems shall be robust and secure, enabling accurate and reliable output in line with their intended purpose.
- **Human oversight:** TSMC ensures sufficient human oversight mechanisms when using AI systems in the context of critical decisions, ensuring that human judgement and intervention are always possible and prioritized.
- **AI Literacy:** TSMC is committed to ensuring that members of staff who operate AI systems are adequately trained and possess the relevant skills to ensure their safe and responsible operation.
- **Security:** TSMC supports the safety of the AI systems that it deploys by implementing security measures appropriate to the risks associated with the relevant system. In addition, TSMC pledges to embed comprehensive cybersecurity protections into all phases of our AI initiatives, ensuring the confidentiality, integrity, and availability of our AI systems and data by addressing both traditional and AI-specific cyber risks.

Accountability

Prior to the use of an AI system, the persons responsible for the system's output and the different phases of the system's lifecycle shall be defined, and potential harm that could be caused by the system shall be assessed.

Sustainability and Responsibility

TSMC is committed to minimizing the environmental impact of its AI systems. This commitment includes requiring that all AI data centers and models be operated with low ecological footprint through energy efficiency and sustainable resource management.



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