



Human Rights Policy

Purpose and Coverage

TSMC strongly believes that respecting human rights and promoting a decent work environment are vitally important. The Company is committed to supporting the following international human rights standards while complying with local laws in all operating locations, treating and respecting all personnel equally. The TSMC Human Rights Policy applies to the management team and all employees (those employed by TSMC and receiving wages or compensation), affiliated enterprises, suppliers, contractors, partners (including customers and communities), and other stakeholders committed to eliminating any human rights violations.

- Universal Declaration of Human Rights (UDHR)
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- United Nations Global Compact (UNGC)
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- Responsible Business Alliance Code of Conduct
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)
- Women's Empowerment Principles (WEPs)
- Convention on the Rights of the Child (CRC)
- UN Children's Rights and Business Principles (CRBP)
- The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICMW)

Human Rights Commitment

TSMC refers to the human rights risks in business operations proposed by the United Nations Development Programme (UNDP) to manage human rights issues across TSMC, affiliated enterprises, suppliers, contractors and partners (including customers and communities) in six major dimensions. These dimensions are Labor Rights, Environmental Rights, Voice & Participation, Gender Equality, Products & Services Liability, and Governance & Security.

Labor Rights

TSMC forbids any form of child labor, human trafficking, or forced labor. The Company complies with all applicable wage and working hours laws and regulations. Working hours are not to exceed the maximum set by local law, with a maximum daily working time, and a workweek should not be more than 60 hours per week (except in emergency or unusual situations), and all personnel shall be allowed at least one day off every seven days. TSMC provides a fair living wage and offers a comprehensive leave management system and a safe and healthy workplace. The Company ensures all personnel working at TSMC can receive appropriate safety and health education and supports and assists in maintaining physical and mental health and work-life balance.

TSMC guarantees equal labor rights for individuals of different nationality, race, class, language, belief, religion, political party, place of ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, and physical and mental disabilities. The Company strictly prohibits any form of discrimination and strives to create a diverse and inclusive workplace by offering equal recruitment and promotion opportunities to all.

Environmental Rights

The Company applies innovative technologies to climate and energy, water management, circular resources, and air pollution control, promoting a comprehensive range of sustainable actions to strengthen environmental protection. TSMC follows or exceeds relevant domestic and international environmental protection and energy resource efficiency regulations and standards. At the same time, TSMC actively protects aquatic and terrestrial ecosystems while collaborating with stakeholders to reduce environmental impacts in our own operations and value chain, and protect biodiversity.

TSMC follows regulations on minerals from conflict-affected areas published by the Organization for Economic Cooperation and Development (OECD) to ensure that human rights, health, and the environment in mineral production areas are not harmed.

Voice & Participation

TSMC respects the freedom of voice and participation of all personnel and is committed to not interfering or restricting their legitimate rights in any way. The Company provides diverse, open, and two-way communication channels for internal and external stakeholders based on the principal of privacy protection.

Gender Equality

TSMC strives to create a zero-harassment and non-discriminatory workplace without gender or sexual bias and to eliminate unequal pay for equal work.

Products & Services Liability

TSMC has established comprehensive technology research and development, wafer manufacturing and testing processes to prevent harm or risk to human health and the environment. The Company has set information security and proprietary information protection mechanisms to protect customers' business and personal information.

Governance & Security

TSMC is committed to never benefitting from any policies or actions that exploit human rights and to ensuring that grievance mechanisms operate effectively. In addition, TSMC's workplaces provide sufficient protective equipment and safety facilities to ensure the operational safety of relevant personnel.

Management Principles

Human Rights Governance Structure

TSMC has established a human rights governance structure with the Board of Directors at the highest level. The ESG Committee has established a cross-department human rights task force, encompassing Customer Service, Corporate Sustainability, Environmental Safety and Health, Human Resources, Information Technology, Corporate Information Security, Materials Management, Legal, Operations, Quality and Reliability, Research and Development and other functional organizations to systematically and effectively promote human rights management

activities. In addition to regularly reporting progress to the ESG Steering Committee, the chairperson of the ESG Committee reports to The Nominating, Corporate Governance and Sustainability Committee under the Board of Directors on human rights management actions and implementation results.

Due Diligence

TSMC follows the recommendations of the OECD Due Diligence Guidance for Responsible Business Conduct to carry out the Company's due diligence process. TSMC conducts the due diligence process by embedding responsible business practices into its policies and management systems, regularly identifying and assessing risks, implementing prevention and mitigation measures, and tracking mechanisms.

Training and Advocacy

TSMC develops human rights protection training to establish awareness and develop a culture of respecting human rights. Through such training, the Company informs employees about human rights concepts and their importance, accessible grievance channels to all, and TSMC's measures for the management, prevention, and remediation of human rights violations.

Grievance Channels


TSMC establishes robust grievance and communication channels and commits to protecting complainants. Potential human rights violations can be reported anonymously or through multiple communication mechanisms to provide concerns or suspected violations to TSMC, and the Company will initiate corresponding measures.

Remediation

Once a human rights violation caused or contributed to by TSMC is identified, the Company will initiate a remediation mechanism based on the type of incident and, if necessary, cooperate with relevant stakeholders to prevent recurrence.

Communication and Disclosure

TSMC identifies affected individuals on a case-by-case basis based on salient human rights issues to build a solid, trusting relationship, and listens to the voices of stakeholders through diverse, open, and two-way communication channels. The Company regularly discloses human rights management goals, actions, performance, and progress on the Company's ESG website, Sustainability Report, and Human Rights Report.



Mark Liu
Chairman
December, 2023