2025 SUSTAINABILITY REPORT

TAIWAN SEMICONDUCTOR



Empowering Connections
with Precision

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About This Report

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Taiwan Semiconductor Co., Ltd. (hereinafter referred to as "TSC" or "the Company") has published its Sustainability Report annually in both Chinese and English since 2023 to communicate with stakeholders about its sustainability strategies and performance across environmental, social, and governance (ESG) dimensions, with relevant information also disclosed on the Company's official website. This is TSC's fourth Sustainability Report and covers the reporting period from January 1, 2025 to December 31, 2025.

First Edition	September 2023
Previous Edition	July 2025
Current Edition	July 2026
Next Edition	Scheduled for release in July 2027

Note: To support environmental protection, this report is primarily published in electronic format. The complete report is available on TSC's official website.

Reporting Principles

Sustainability Performance

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the Semiconductors Sustainability Accounting Standard 2023 issued by the Sustainability Accounting Standards Board (SASB). It also follows the Regulations Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies.

Financial Performance

The financial data presented in this report has been audited by KPMG in Taiwan. Unless otherwise specified, all financial information denominated in New Taiwan dollars is presented in NT$ thousands.

Reporting Scope

The TSC Group comprises the Rectifier Business and the Barcode Printer Business. This report primarily covers the operating and production sites of the Rectifier Business.

Where reporting periods are inconsistent or the scope of disclosure has been adjusted, explanatory notes will be provided in the report. Other subsidiaries included in the consolidated financial statements will be incorporated into the reporting scope progressively.

The Barcode Printer Business, TSC Auto ID Technology Co., Ltd., has published its sustainability performance independently since 2025. For further information, please refer to the official website of TSC Auto ID Technology Co., Ltd.

Operational Locations Covered in This Report

Taiwan	• Parent Company in Taipei (including the Taipei Office, Hsinchu Office, I-lan Site, and Li-Je Site)
Mainland China	• Shandong Site (Yangxin Everwell Electronic Co., Ltd.) • Tianjin Site (Tianjin Everwell Technology Co., Ltd.) • Shanghai Office (Shanghai Great Technology Trading Co., Ltd.) • Hong Kong Office (Taiwan Semiconductor (HK) Co., Ltd.)

Data Explanation

TSC prepares this report with due care and continues to enhance the quality of the information and data disclosed. No information has been restated for the current reporting year.

Internal Review

This report consolidates annual sustainability performance and highlights submitted by all departments. The ESG Office reviewed and analyzed the data before submitting it to the ESG Committee and the Board of Directors for approval and publication. TSC has integrated the preparation and verification of its Sustainability Report into its internal control system, in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by OTC Companies" issued by Taiwan Stock Exchange Corporation.

External Assurance

The report was independently assured by KPMG in Taiwan in accordance with the Republic of China Statement of Assurance Engagements No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (based on ISAE 3000). The Limited Assurance Statement from the independent auditor is included in "Appendix X of this report." The assurance process included explanations from the ESG Office and relevant departments regarding TSC's sustainability strategy and implementation results, and the final report was submitted to the Board of Directors for approval.

Contact Information

If you have any questions or suggestions regarding this report, please feel free to contact us.

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2025 Sustainability Honors and Annual Achievements

Participated in the EcoVadis Sustainability Assessment

- **Reviewed the Company's management mechanisms in the areas of environment, labor and human rights, business ethics, and sustainable procurement based on the assessment framework.**
- **Areas for improvement identified through the assessment results have been incorporated into internal management and follow-up planning, serving as an important basis for continuously enhancing sustainability management.**

Participated in CDP (formerly Carbon Disclosure Project)

- **2025 Climate Change: D (Disclosure)**
- **2025 Water Security: C (Awareness)**



Received the Silver Award in the "Electronic and Information Manufacturing" category of the 18th Taiwan Corporate Sustainability Awards (TCSA)

Environment

- Launched the "Product Carbon Footprint Implementation Project" in 2024, and continued to advance product carbon footprint inventory and data update efforts in 2025; the Shandong Site has completed product carbon footprint verification and obtained certification, serving as a demonstration site for the Group's rollout.
- Achieved **261,119.96GJ** of annual energy savings compared to the previous year, equivalent to a reduction of **30,754.13 metric tons CO_2e**
- Advanced green transformation: Renewable energy accounted for **42.70%** of total energy consumption
- Scope 1 and 2 greenhouse gas emissions decreased by **2,135.69 metric tons CO_2e** compared to 2024
- Shandong Site has obtained provincial-level Green Factory certification, continuing to strengthen green manufacturing and environmental management practices.

Renewable Energy Usage
42.7%

Annual Energy Savings
261,119
GJ

Society

- Joined "TALENT, in Taiwan – Talent Sustainability Action Alliance", supporting sustainable talent development
- Promoted comprehensive and diverse training; average training hours per employee reached **53.4 hours**
- Blood donation drives were held at sites, resulting in over 100 bags of donated blood
- Established the "**Excellence Sports Bonus**" program to encourage employees to develop regular exercise habits and support active participation in external sports events
- Shandong Site promoted sleep health monitoring and health risk management measures, helping employees improve sleep quality and health management awareness

Average training hours per employee
53.4
hours

Excellence Sports Bonus Program

Governance

- Ranked in the **21%–35% tier among TPEx-listed companies** in the 12th (2025) Corporate Governance Evaluation
- Completed the implementation and certification of the ISO 27001:2022 Information Security Management System (ISMS) in 2025, and conducted internal cybersecurity training with a **100%** completion rate; members of the Information Security Management Committee also continued to participate in relevant professional training to strengthen the organization's information security governance and risk management capabilities.
- R&D investment **exceeded 3%** of net revenue for three consecutive years, reaching **NT$141,019 thousand**
- Local procurement accounted for **over 60%** of the total supply chain spending for the third consecutive year

R&D investment as a percentage of net revenue exceeded 3% for two consecutive years



NT$141,019 thousand

Message from the Chairman GRI 2-22

In 2025, the global business environment continued to evolve amid ongoing change. Geopolitical developments, supply chain restructuring, energy price volatility, climate change, and net-zero regulations are reshaping the conditions that determine corporate resilience and growth. At the same time, the rapid development of artificial intelligence, high-performance computing, automotive electronics, industrial control, and energy management applications has made power semiconductors increasingly critical to both digitalization and the low-carbon transition. For TSC, these developments represent an important opportunity to advance technological innovation, strengthen operational fundamentals, and create value together with our stakeholders.

Since its establishment in 1979, TSC has remained focused on the R&D, manufacturing, and global service of power semiconductors, building a strong foundation in Taiwan while expanding its global presence. In 2025, we continued to focus on automotive, industrial control, consumer electronics, and emerging application markets. By optimizing our product portfolio, integrating R&D capabilities, and improving process efficiency, we further strengthened our vertically integrated capabilities spanning product design, wafer fabrication, assembly and testing, and global marketing under our own brand. We believe that the value of semiconductors lies not only in performance and quality, but also in their ability to help customers improve energy efficiency, reduce system losses, and support more resilient and sustainable end-use applications.

TSC regards climate action and the low-carbon transition as integral parts of its corporate strategy and day-to-day operations. As Taiwan moves into the substantive implementation phase of its carbon fee mechanism, international customers are placing increasing expectations on supply chain carbon management, product carbon footprints, and energy efficiency. In alignment with regulatory policies and international sustainability trends, we continue to advance greenhouse gas inventories, energy management, energy-efficiency improvements, and process optimization, while progressively strengthening our climate governance and carbon management capabilities. The low-carbon transition is a long-term journey that requires sustained commitment. Through systematic management, cross-functional collaboration, and practical action, TSC will seek to turn decarbonization requirements into drivers of operational improvement and enhanced competitiveness.

Sound governance is the foundation of stable corporate development. TSC continues to uphold integrity, regulatory compliance, transparent disclosure, and risk control as the core of its governance, with the Board of Directors and its functional committees overseeing the Company's major strategies and sustainability direction. In response to increasingly stringent global regulations, customer standards, and information security risks, we will continue to enhance our internal controls, cybersecurity management, supply chain resilience, and stakeholder communication mechanisms, ensuring that the pursuit of operational efficiency is balanced with compliance, responsibility, and long-term trust.

Talent and social well-being are indispensable forces driving TSC's sustainable development. In 2025, we continued our commitment to building a safe, healthy, friendly, and growth-oriented workplace, advancing occupational health and safety management, talent development, employee care, and a culture of diversity and inclusion. We believe that a company's long-term competitiveness stems from the professionalism, dedication, and shared growth of every employee. TSC will also continue to pay close attention to the needs of local communities, fulfilling its commitment to society through public welfare participation, social care, and cultural support initiatives.

Looking ahead, TSC will continue to center its sustainability actions on "deepening core business and global expansion," "focusing on carbon management and low-carbon transition," "strengthening governance for steady operations," and "people-oriented, inclusive co-prosperity," continuously advancing in technological innovation, operational resilience, low-carbon manufacturing, responsible supply chains, and talent development. We will also maintain open communication and close collaboration with customers, suppliers, employees, investors, and all stakeholders, translating the commitments made in this report into everyday decisions and concrete actions.

In a world of continuous change, TSC responds to challenges with a steady and pragmatic approach, drives growth through innovation and responsibility, and continues to advance toward its sustainability vision of "Global Leader TSC," "Agile TSC," "Low-Carbon TSC," and "Vibrant TSC," working together with all sectors to create long-term value.

Chairman **Wang Shiu Ting**

Stakeholder Communication and Material Topic Analysis

Stakeholder Engagement GRI 2-29

TSC values stakeholder engagement and, with reference to the five principles of the AA1000 Stakeholder Engagement Standard (SES), has identified seven major stakeholder groups by consolidating internal and external groups or individuals that affect or are affected by the Company's operating activities: suppliers, customers, employees, investors, government agencies, media, and others (including the general public and academic institutions). Through both regular and ad-hoc multi-channel communication with stakeholders, TSC seeks to understand the actual and potential impacts of its operations on these parties, using the insights gained as a basis for planning future preventive and mitigation measures. The results of stakeholder communication are reported annually to the Board of Directors by the Board Secretariat.

Stakeholder Engagement Performance

Stakeholder	Significance to TSC	Key Topics of Concern	Communication Frequency and Channels	2025 Communication Highlights and Results
Suppliers	The quality of products and services provided by suppliers or contractors to TSC is a crucial factor in ensuring customer satisfaction.	• Information Security Management • Innovative Product Management • Climate Strategy and Energy Management • Water Stewardship • Biodiversity • Occupational Health and Safety	**[Regular]** • Remote or on-site audits (annually) **[Ad hoc]** • Supplier conferences • EHS briefings for contractors • Surveys and RBA self-assessments	✓ 159 suppliers signed the "Declaration of Non-use of Conflict Minerals", with a signing rate of **91.4%**. An increase of 0.4% from the previous year ✓ Continued execution of online and on-site supplier audits; implemented a triennial audit plan for Tier-1 suppliers; all suppliers met TSC's automotive quality requirements
Customers	Customers are TSC's primary source of revenue. TSC strives to understand their needs, keep up with industry trends, and deliver professional services to meet expectations.	• Sustainable Supply Chain • Customer Relationship Management • Innovative Product Management • Climate Strategy and Energy Management • Water Stewardship • Waste Management and Hazardous Substances Emission Management • Biodiversity • Talent Recruitment and Retention • Occupational Health and Safety • Social Engagement	**[Regular]** • Customer satisfaction surveys (annually) • Corporate sustainability report and official website **[Ad hoc]** • Custom meetings per client demand • Response to questionnaires (e.g., EcoVadis, CDP, SupplyOn) • Customer audits and on-site visits	✓ Annual customer satisfaction survey score: **4.7** out of 5. ✓ Ad hoc ESG communication meetings and questionnaire responses were conducted to continuously understand customer needs.

Stakeholder	Significance to TSC	Key Topics of Concern	Communication Frequency and Channels	2025 Communication Highlights and Results
Employees	Employees are TSC's most valuable asset and the foundation of sustainable development. Competitive compensation and career development help foster unity and create a better future.	• Business Ethics and Integrity • Regulatory Compliance • Information Security Management • Customer Relationship Management • Product Responsibility • Climate Strategy and Energy Management • Biodiversity • Talent Recruitment and Retention • Diversity and Inclusion	**[Regular]** • Labor-management meetings (quarterly) • Occupational health and safety meeting (quarterly) • General employee meetings (annually) • Employee satisfaction survey (annually) • Performance review briefings (semi-annually) **[Ad hoc]** • Employee Interviews • Employee feedback and harassment reporting mailbox • Departmental meetings	✓ No employee complaints received in 2025. ✓ In 2025, TSC continued to optimize its new HRM (Human Resource Management) System, which features an early-warning function to ensure 100% accuracy and compliance in working hours and wages. ✓ Upholding the principle of "caring for employees," TSC provided child care subsidies to **61 recipients** and granted educational awards to **127 recipients** in 2025, with total subsidies for the year amounting to nearly **NT$330 thousand.**
Investors	Shareholders and investors provide critical capital. Transparent disclosure reflects TSC's strategies, profitability, and ESG performance, ensuring stable funding and added value.	• Sustainable Supply Chain • Risk Management • Innovative Product Management • Product Responsibility • Climate Strategy and Energy Management • Water Stewardship • Biodiversity • Talent Recruitment and Retention • Diversity and Inclusion • Occupational Health and Safety • Human Rights	**[Regular]** • Annual shareholder meetings and financial reports (annually) • Corporate Governance Evaluation System (annually) • Financial statements (quarterly) • Investor conference calls (quarterly) **[Ad hoc]** • Investor communication meetings (in-person or via phone) • Domestic and international investment forums • Business performance updates on the company website • Material information announcements via the Market Observation Post System (MOPS)	✓ Held 1 general shareholders' meeting ✓ Held 4 investor conference calls, along with multiple one-on-one or group investor meetings via phone
Government and competent authorities	TSC maintains sound operations and open communication with competent authorities to stay updated on legal trends and proactively participate in government initiatives.	• Business Ethics and Integrity • Sustainable Supply Chain • Information Security Management • Customer Relationship Management • Innovative Product Management • Product Responsibility • Climate Strategy and Energy Management • Waste Management and Hazardous Substances Emission Management • Biodiversity • Talent Recruitment and Retention • Diversity and Inclusion • Occupational Health and Safety • Human Rights • Social Engagement	**[Ad hoc]** • Official correspondence via documents and email • Assessments, evaluations, and audits • Various meetings (e.g., seminars, briefing sessions, forums)	✓ Participated in annual corporate governance evaluations ✓ Maintained smooth and active communication with the government on a regular and ad hoc basis, including attending promotional briefings to stay informed about relevant regulatory initiatives

Stakeholder	Significance to TSC	Key Topics of Concern	Communication Frequency and Channels	2025 Communication Highlights and Results
Media	The media serves as a bridge between TSC and its stakeholders, helping disseminate accurate corporate information and reinforcing brand image.	• Regulatory Compliance • Sustainable Supply Chain • Innovative Product Management • Climate Strategy and Energy Management, Risk Management • Water Stewardship • Waste Management and Hazardous Substances Emission Management • Biodiversity • Talent Recruitment and Retention • Diversity and Inclusion	**[Regular]** • Investor conference calls **[Ad hoc]** • Face-to-face and telephone interviews • Corporate website and press releases • Social media platforms	✓ Held 4 investor conference calls, along with multiple one-on-one or group investor meetings via phone ✓ Released 21 product news articles, 7 corporate news releases, and 2 event announcements
Others (including the general public and academic institutions)	TSC remains responsive to local needs by collaborating with charities and schools, fulfilling CSR obligations.	• Regulatory Compliance • Innovative Product Management • Climate Strategy and Energy Management • Water Stewardship • Talent Recruitment and Retention • Talent Recruitment and Retention • Social Engagement	**[Regular]** Invoice donation **[Ad hoc]** • Disaster relief donations • Lunch and tuition subsidies for underprivileged students • Blood donation campaigns	✓ In 2025, the I-lan Site and Li-Je Site collectively donated **281 uniform invoices** to charitable organizations. ✓ In 2025, the Li-Je Site held two blood donation campaigns, with a total of **93 employees** participating. ✓ In 2025, **200 decommissioned employee uniforms** were donated to charitable organizations for recycling and reuse.

Material Topic Identification GRI 3-1 3-2 3-3

TSC follows the Global Reporting Initiative (GRI) Standards to establish its analytical process, conducting materiality analysis through four key steps: identification, evaluation, analysis and validation, and confirmation. This process assesses the actual and potential economic, environmental, and social impacts of its business operations, serving as the basis for planning and adjusting sustainability management strategies.

To understand the level of importance TSC's internal management places on various sustainability topics, as well as the level of concern external stakeholders have regarding TSC's sustainability issues, and using the 2025 sustainability performance and 2026 expected outcomes as the basis for assessment, the Company conducted a stakeholder questionnaire survey in 2025.

In 2025, 10 internal questionnaires and 56 external questionnaires were collected; after excluding duplicate and invalid responses, a total of 39 valid questionnaires were obtained. For further details, please refer to the "Stakeholder Engagement" section (p.23) of the 2025 Sustainability Report. Based on the survey results, the Company identified 6 material topics in 2025, the same number as in 2024, with the overall materiality framework remaining consistent; however, some topics have changed due to shifts in stakeholder focus and adjustments to the Company's operational strategy. In 2025, TSC added two new material topics—Talent Recruitment and Retention, and Diversity and Inclusion—reflecting stakeholders' growing concern for human resource management and workplace diversity. Meanwhile, Climate Strategy and Energy Management, and Occupational Health and Safety were reclassified as foundational topics in 2025, indicating that these issues have been incorporated into the Company's routine management mechanisms and are being continuously advanced. TSC will continue to refine the identification and management of stakeholder-concerned topics and respond to their needs and expectations through diverse communication channels.

Material Topic Identification Process

Step	Process	Outcome
01 Identification	• **Stakeholder Groups:** Identified 7 major stakeholder groups by referencing the five principles of the AA1000 Stakeholder Engagement Standard (SES), including suppliers, customers, employees, investors, government, media, and others (including the general public and academic institutions) • **Actual/Potential Impacts:** With reference to the Dow Jones Best-in-Class Index (DJBIC), Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB), Taiwan Corporate Sustainability Awards (TCSA), United Nations Sustainable Development Goals (SDGs), relevant industry regulations, common material topics for the semiconductor industry published by the Taipei Exchange and Taiwan Stock Exchange, peer benchmarking, stakeholder expectations, and expert advisory input, TSC identified and consolidated 24 actual and potential impacts, assessing and defining their most significant positive or negative effects • **Stakeholder Feedback:** Stakeholders rated their concern for each sustainability issue on a 1 (not concerned at all) to 5 (highly concerned) scale via the "2025 TSC Stakeholder and Material Topics Questionnaire," targeting parties with close relationships and significant influence	7 key stakeholder groups 17 sustainability topics
02 Evaluation	• **Impact Severity:** Based on the actual results in 2025 and expected outcomes in 2026 for each topic, evaluated the scale, scope, and severity of its impact on the environment, society, and economy using a 5-point scale from 1 (Low) to 5 (High) • **Likelihood of Occurrence:** Evaluated the frequency/speed or probability of occurrence of each impact using a 5-point scale from 1 (Low) to 5 (High) **Impact Severity** (Comprehensive assessment of scale/scope and catastrophic potential) X **Likelihood of Occurrence** (Comprehensive assessment of probability, or speed/frequency of occurrence) X **Stakeholder Concern Level** (Comprehensive understanding of stakeholder attention to the issue)	Evaluation using 5-point scale
03 Analysis & Validation	• **Prioritization:** Identified and ranked sustainability topics based on positive/negative impacts. Topics above the 75th percentile (PR 75) threshold were classified as material topics. • Selected 6 sustainability topics as the material topics of the year and visualized them in a materiality matrix.	6 material topics 49 valid survey responses (10 internal material topic identification questionnaires + 39 external stakeholder questionnaires)
04 Confirmation	• Compiled the 2025 and 2026 material topic list and matrix, which was reviewed by the ESG Office. Corresponding GRI topics were addressed in the report accordingly. • The ESG Committee continuously reviews material topics annually and reports regularly to the Board of Directors.	

2025 Material Topic Matrix

In response to the GRI Material Topics 2021, TSC considered industry characteristics, geographic location, and organizational context to define both the positive and negative impacts of each sustainability issue. Using a risk management perspective, the significance of actual and potential impacts was identified.

TSC determined material and foundational topics based on the results of questionnaire scoring, which were aggregated through multiplication, weighting, and ranking, and visualized in a materiality matrix. The matrix uses the positive X-axis to represent "degree of positive impact," the negative X-axis to represent "degree of negative impact," the Y-axis to show "likelihood of occurrence," and the Z-axis to indicate the "level of stakeholder concern."



Note:
1. Topics in gray represent the material topics for 2025, while others are foundational topics.
2. The size of each bubble reflects stakeholder concern; the larger the bubble, the higher the level of stakeholder concern.
3. Likelihood of Occurrence: Assessed by TSC internal supervisor
4. Impact Level: Evaluated by TSC internal supervisor and weighted based on SASB recommended disclosure topics

2025 Material Topics and Implications

Material Topics	Value Chain Impact			Positive Impacts and Implications	Negative Impact and Implications	Corresponding GRI Topics/Disclosures	Management Approach (Corresponding Sections)
	Upstream	TSC	Downstream				
Product							
Innovative Product Management	●	●		**Sustainable product innovation** Integrate sustainability into product design and production by adopting new technologies, using non-hazardous materials, and applying low-pollution, energy-saving processes. Strengthen hazardous substance management and actively minimize the environmental impact of product manufacturing and packaging.	**Inadequate intellectual property management** Inadequate management of trade secrets, patent assets, or other intellectual property rights may compromise the company's intellectual property protection and undermine its market leadership position.	301-1 Materials used by weight or volume 416-2 Incidents of non-compliance concerning health and safety impacts of products and services 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling	2.1 Innovative Product Management
Governance							
Business Ethics and Integrity		●		**Sound corporate governance** governance Establish a robust governance and integrity framework with effective oversight to protect stakeholder rights. Through clear policies and ongoing advocacy, we ensure legal compliance and embed ethics into all operations, supporting long-term sustainable development.	-	2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-11 Chair of the highest governance body 2-12 Role of the highest governance body in overseeing the management of impacts 2-13 Delegation of responsibility for managing impacts 2-14 Role of the highest governance body in sustainability reporting 2-15 Conflicts of interest 2-16 Communication of critical concerns 2-17 Collective knowledge of the highest governance body 2-18 Evaluation of the performance of the highest governance body 2-19 Remuneration policies 2-20 Process to determine remuneration 2-22 Statement on sustainable development strategy 2-24 Embedding policy commitments 2-26 Mechanisms for seeking advice and raising concerns 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 405-1 Diversity of governance bodies and employees	1.2 Corporate Governance

Material Topics	Value Chain Impact			Positive Impacts and Implications	Negative Impact and Implications	Corresponding GRI Topics/Disclosures	Management Approach (Corresponding Sections)
	Upstream	TSC	Downstream				
Sustainable Supply Chain	●	●		**Sustainable supply chain management** Implement a sustainable supply chain management mechanism by building a highly resilient supply chain, thereby enhancing product quality, delivery reliability, and the overall sustainability performance across the supply chain.	-	2-23 Policy commitments 2-24 Embedding policy commitments 204-1 Proportion of spending on local suppliers 308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	3.2 Sustainable Supply Chain
Environment							
Water Stewardship		●		-	**Poor water stewardship** Water is vital to the semiconductor industry. Insufficient wastewater treatment or poor water monitoring may harm the environment and endanger nearby communities.	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption	5.3 Water Stewardship
Society							
Talent Recruitment and Retention		●		-	**Talent attrition** If TSC fails to establish sound talent retention and development policies, employee willingness to stay may decline, potentially leading to talent attrition.	2-7 Employees 2-8 Workers who are not employees 2-19 Remuneration policies 2-20 Process to determine remuneration 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men 404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews 401-3 Parental leave	4.1 Talent Attraction and Retention
Diversity and Inclusion		●		-	**Unfriendly workplace** If TSC fails to respect and embrace employees of different genders, ages, nationalities, races, ethnicities, and religions, and to provide a discrimination- and harassment-free workplace, employee rights may be compromised, and employees' sense of identification with the Company may decline.	2-23 Policy commitments 2-24 Embedding policy commitments 2-30 Collective bargaining agreements 406-1 Incidents of discrimination and corrective actions taken	4.1 Talent Attraction and Retention

Note: Based on the results of the material impact prioritization, TSC added two new material topics in 2025: Talent Recruitment and Retention, and Diversity and Inclusion. Meanwhile, two topics previously identified as material in 2024—Climate Strategy and Energy Management, and Occupational Health and Safety—have been reclassified as foundational topics.



Recommended Primary Stakeholders for This Section:

☐ Suppliers ☐ Customers ■ Employees ■ Investors ■ Government ☐ Media ☐ Others

01

Sustainable Operation and Governance

1.1 About TSC

1.2 Corporate Governance

1.3 Risk Management

1.4 Information Security Management

Sustainable Operation and Governance

TSC is committed to sustainable operations and continuously enhances its corporate governance framework. In addition to promoting high standards of business ethics and safeguarding stakeholder interests, TSC strictly complies with all applicable laws and regulations across jurisdictions. The company aims to fulfill its core value of integrity through robust mechanisms such as corporate risk management and information security management. TSC will continue to improve its governance systems and actively engage with stakeholders through multiple channels in pursuit of its sustainability objectives.

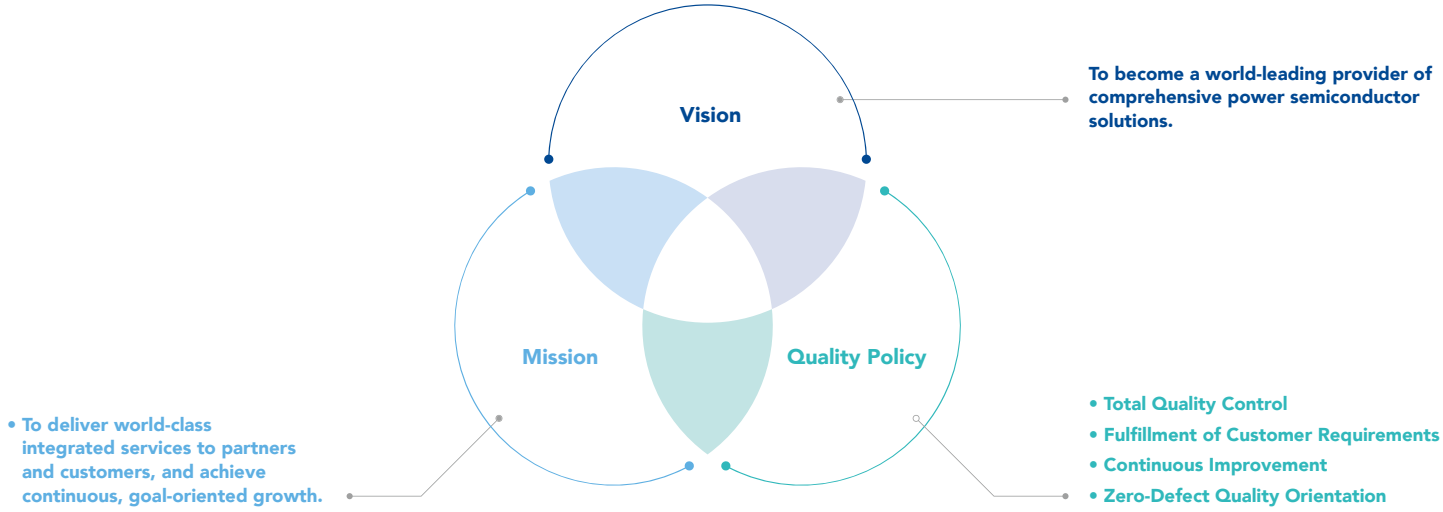
1.1 About TSC

GRI 2-1 2-6 2-22 2-28

TSC (Stock Code: 5425) is one of the world's leading manufacturers of power semiconductor devices. Since its establishment in 1979, TSC has been dedicated to research and innovation, integrating core technologies to provide comprehensive solutions to customers worldwide. In recent years, the company has leveraged its proprietary chip development and automated assembly capabilities to advance its product portfolio, including Schottky rectifiers, Fast Recovery Epitaxial Diodes (FRED), Transient Voltage Suppression (TVS) devices, MOSFETs, Electrostatic Discharge (ESD) protection components, and automotive Low Dropout/Low Power Consumption Voltage Regulators (LDOs). These products are widely used in consumer electronics, communication equipment, power management systems, industrial machinery, and automotive electronics.

In recent years, TSC has actively pursued strategic transformation and expansion, particularly in the automotive and industrial control sectors. Its strategies include expanding sales channels, actively engaging in customers' product development, and exploring pricing strategies. These efforts aim to enhance competitiveness, strengthen sustainable supply chain services, and expand global market reach.

In addition, TSC's subsidiary, TSC Auto ID Technology Co., Ltd. (Stock Code: 3611), specializes in the manufacture and sales of barcode printers. It is a leading provider of innovative thermal transfer and direct thermal label printing solutions. As demand for automatic identification applications grows, TSC Auto ID continues to invest in research and innovation, deepening its core capabilities in integration and cross-disciplinary development. For more information about TSC Auto ID, please refer to the company's website, annual report, and sustainability report.



1.1.1 Company Overview

Taiwan Semiconductor Co., Ltd.

Founded
January 1979

Headquarters
11th Floor, No. 205, Section 3, Beixin Road, Xindian District, New Taipei City, Taiwan

Industry
Semiconductor Manufacturing

Global Operations
4
Production Sites
21
Service Locations

Paid-in Capital
NT$**2.634** billion

Listed on the Taipei Exchange (TPEx)
in February 2000 under stock code 5425

Affiliates
The business scope of the Company's affiliates include electronic component manufacturing, office equipment manufacturing, computer and peripheral equipment manufacturing, international trading, management consulting, import of telecommunications-regulated radio frequency equipment, and manufacturing of telecommunications-regulated radio frequency equipment.

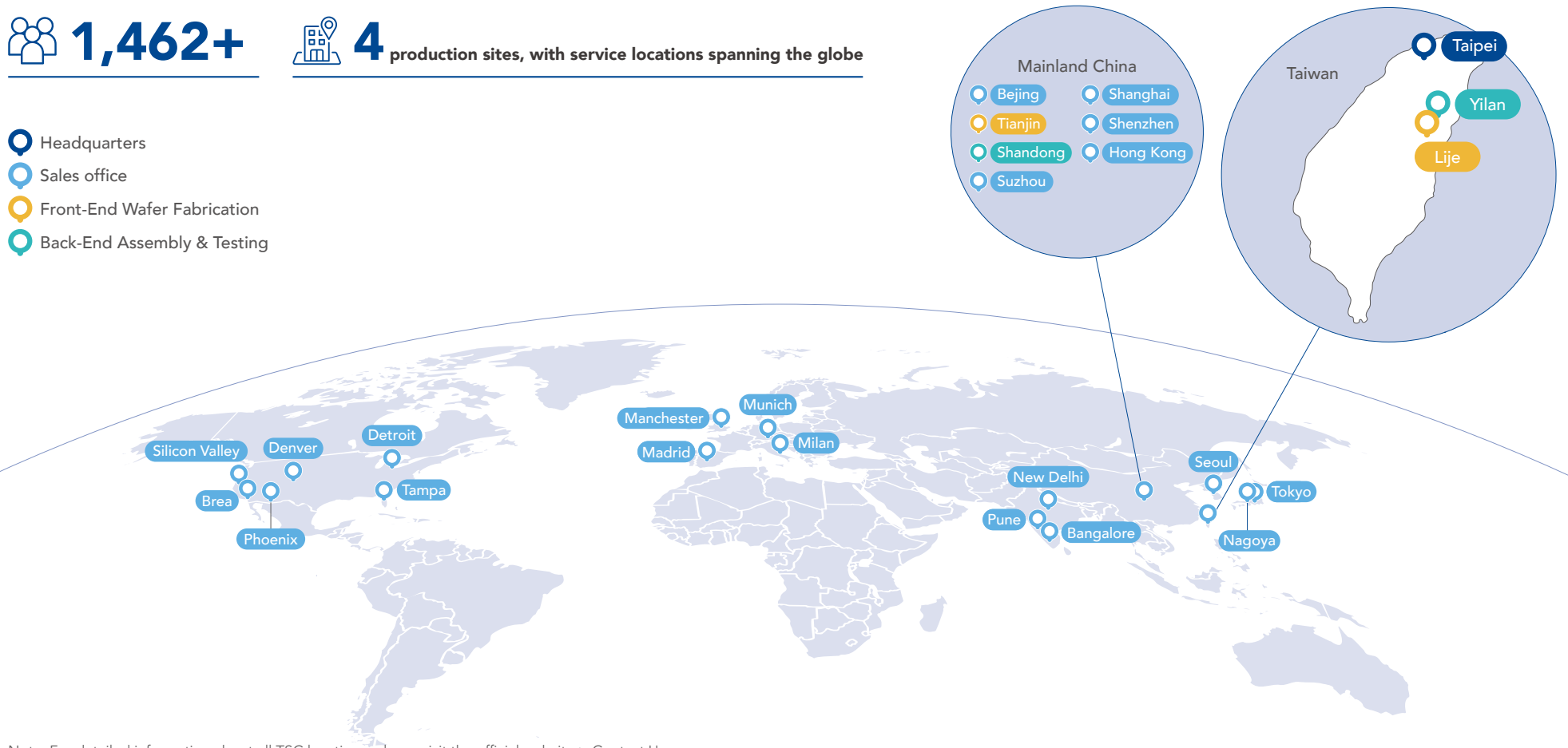
Note: There were no significant changes in TSC's industry or business relationships compared to the previous year.

Operating Locations

TSC serves a global market, with four major production sites (including wafer fabrication and assembly facilities) located in Taiwan (I-lan) and Mainland China (Shandong, Tianjin). Its service locations span across Mainland China, Japan, South Korea, the United States, Germany, and other regions, enabling the Company to provide application and sales support across different territories to meet global customers' design and supply chain needs. TSC has more than 1,462 employees worldwide. TSC's core competitiveness lies in its strength in power semiconductor research and manufacturing. The Company provides a comprehensive power semiconductor solution that spans product design, R&D, wafer fabrication, assembly and testing, and global brand marketing. Through resource integration, TSC continues to collaborate with upstream and downstream partners to enhance technological innovation and strengthen its market competitiveness.

1,462+

4 **production sites, with service locations spanning the globe**



Note: For detailed information about all TSC locations, please visit the official website > Contact Us.

Manufacturing Sites



Li-Je Site (Wafer Fabrication)



Tianjin Site (Wafer Fabrication) /
Tianjin Everwell Technology Co., Ltd.

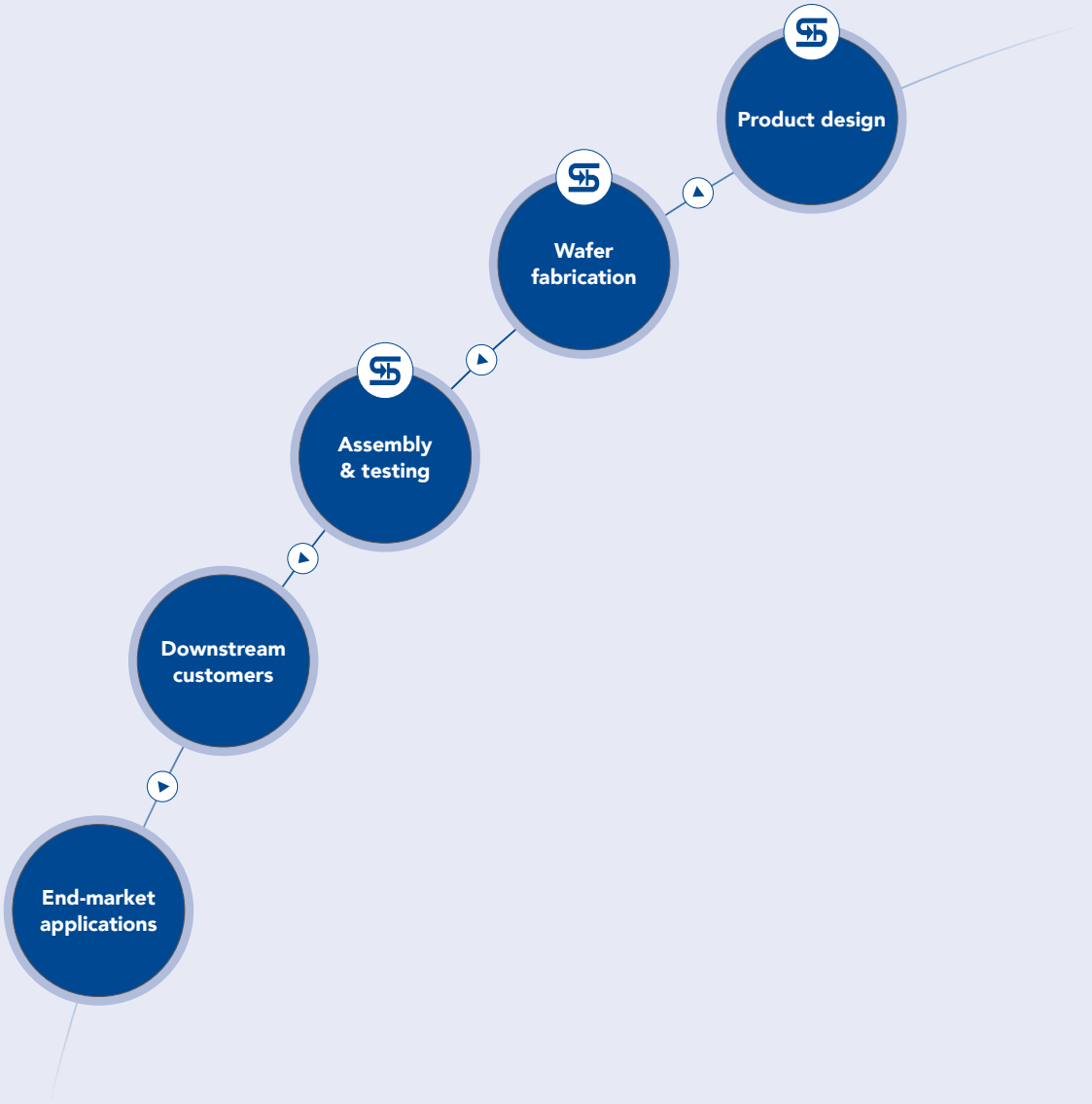


I-lan Site (Assembly & Testing)



Shandong Site (Assembly & Testing) /
Yangxin Everwell Electronic Co., Ltd.

Industry Value Chain



Note: There were no significant changes in TSC's value chain compared to the previous year.

Sustainable Vision

TSC is committed to developing a Taiwan-rooted, global-oriented strategy to deliver a diverse portfolio of high-quality products and services, tailored to the evolving needs of customers worldwide. Amid the rapid waves of technological advancement, we also embrace the transformative potential of digital innovation. By adopting emerging technologies and optimizing operational processes, we aim to enhance efficiency and strengthen corporate resilience. Recognizing the critical importance of environmental sustainability, we actively promote our vision of a "Low-Carbon TSC" through concrete actions such as energy conservation and improving energy efficiency to minimize environmental impact. "Vibrant TSC" reflects our commitment to our employees. With a people-centered philosophy, we strive to create a safe, healthy, and vibrant work environment, while providing diverse learning and development opportunities to help our employees grow and thrive. Through the four sustainability visions—**"Global Leader TSC," "Agile TSC," "Low-Carbon TSC," and "Vibrant TSC"**—we are dedicated to driving sustainability across all operations, enhancing corporate competitiveness, and contributing to the sustainable development of society.

Global Leader TSC

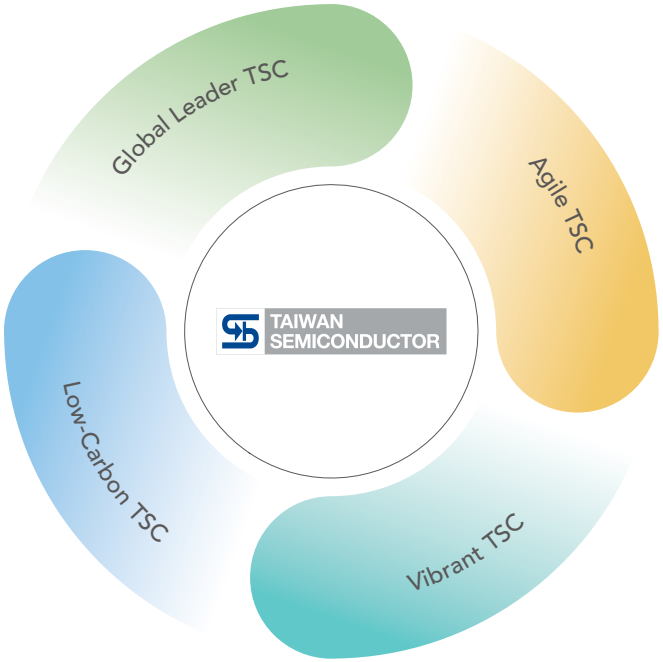
Deliver optimized, diversified products to meet global TSC customer needs and capture market trends, while embracing the development of the AI era.



Low-Carbon TSC

Accelerating sustainability through clean energy and efficiency for a net-zero future.





Agile TSC

Embrace digital transformation and leverage new tools to drive innovation and agility, optimizing operational process efficiency to enhance corporate agility and resilience.



Vibrant TSC

People-oriented, fostering lifelong learning through talent development, and creating a healthy, vibrant workplace.



Goal: Enhancing corporate competitiveness through sustainable actions.

External Initiatives and Organizational Participation

TSC strives to play a key role in the global market by continuously driving technological innovation and maintaining a robust presence across the upstream and downstream value chain. We actively respond to shifts in global dynamics and industry transformation by collaborating with peer companies. TSC also takes part in trade associations and sustainability-related external initiatives relevant to our core business, leading the industry toward mutual growth and shared prosperity.

Organization Name	Description	Main Participation in 2025	TSC's Role and Involvement
Industry Development			
World Semiconductor Trade Statistics (WSTS)	WSTS is an international semiconductor industry organization responsible for collecting and publishing global semiconductor market statistics. Its analysis and forecasts serve as key references for strategic decision-making across the industry.	TSC has been a member since 2012 and regularly submits monthly, quarterly, and semi-annual shipment data. WSTS shares statistical reports (including product type, application, etc.) and market forecasts with its members.	Member
Chinese National Association of Industry and Commerce (CNAIC)	The CNAIC is a major representative organization of Taiwan's industrial and commercial sectors, serving as a communication bridge between government and businesses.	Regularly participates in CNAIC-hosted seminars and events to stay updated on the latest economic and industrial trends.	Member
Business Environment			
Binzhou Entrepreneurs Association, Shandong	A civic organization established under the guidance of the Binzhou Municipal Government, with liaison and coordination support from the Binzhou Private Economy Development Service Center. With the mission of "serving enterprises," it acts as a bridge between businesses and society, as well as between businesses and the government. The organization offers suggestions and advice to the government on challenges faced by private enterprises and facilitates coordination to support communication and collaboration among businesses.	Regularly participate in training sessions or events organized by the association, and actively provide suggestions based on TSC's operational experience to improve Binzhou's business environment and government services.	Director
Information Security			
Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)	To enhance Taiwan's overall cybersecurity capabilities, the TWCERT/CC alliance is operated by the National Institute of Cyber Security (NICS). Under the guidance of the Ministry of Digital Affairs, it promotes key initiatives such as corporate cybersecurity incident reporting and coordination, product vulnerability disclosure, malicious file detection services, and the organization of cybersecurity awareness activities.	Engages in periodic information sharing on cybersecurity intelligence with the alliance and issues early warnings in the event of corporate cyberattacks. In case of any cybersecurity incidents at TSC, relevant details of the attack are proactively reported.	Member
Corporate Sustainability			
CommonWealth Magazine Group - ESG committee	The CommonWealth Magazine Group - ESG committee regularly convenes member discussions on ESG trends such as regulatory compliance, customer requirements, and the implementation of carbon tariffs in various countries.	Since 2023, TSC has been invited to join as a corporate member and has participated in the "Sustainability Vitality Workshop," actively engaging with peers and companies from various industries. TSC shares its practices in corporate social responsibility and energy-saving and carbon-reduction initiatives within the semiconductor sector, and collaborates with industry leaders to jointly guide the sustainable development of Taiwanese enterprises.	Member

Organization Name	Description	Main Participation in 2025	TSC's Role and Involvement
E.SUN ESG Sustainability Initiative	An initiative independently launched by E.SUN Bank in 2021, encouraging like-minded corporate partners to participate in and promote the implementation of ESG practices.	E.SUN Bank is one of TSC's partner institutions. TSC has been a member of this initiative since 2023, joining hundreds of other leading enterprises in advancing corporate sustainability, and has committed to setting a 2050 net-zero target while taking concrete action to implement sustainable transformation.	Initiative Member
Corporate Sustainability			
Task Force on Climate-related Financial Disclosures (TCFD)	TSC has adopted the TCFD framework since 2022 for managing climate-related risks, including identifying risks and opportunities and formulating mitigation strategies based on transitional and physical risk dimensions.	In 2025, TSC continued to manage climate-related risks and opportunities under the TCFD framework, focusing on "increasing sustainability-related requirements and regulations."	Initiative Member
CDP (formerly Carbon Disclosure Project)	Through the CDP questionnaire, TSC discloses information on its climate governance strategy, risk and opportunity management, performance indicators and targets, and greenhouse gas emissions, as part of its ongoing efforts to review and enhance its carbon management strategies.	TSC responded to the CDP annual disclosure in 2025; the Climate Change questionnaire result was rated D (Disclosure), and the Water Security questionnaire result was rated C (Awareness).	Initiative Member
Talent Sustainability			
CommonWealth Talent Sustainability Action Alliance	Talent is a vital factor for the long-term development of enterprises. Since 2022, CommonWealth Learning has officially launched the inaugural "TALENT, in Taiwan – Talent Sustainability Action Alliance," aiming to drive positive change in Taiwan's workplace environment through a range of forward-looking indicators.	TSC has responded to the "TALENT, in Taiwan – Talent Sustainability Action Alliance" for two consecutive years, continuing to promote and implement talent sustainability indicators while supporting the principles of diversity, equity, and inclusion.	Initiative Member

Note: TSC has incorporated the Science Based Targets initiative (SBTi) into its long-term carbon management plan and expects to apply for membership and submit the relevant commitment documents in 2026; as the Company is currently in the eligibility assessment and internal planning stage, there were no substantive participation activities in 2025.

1.1.2 Financial Performance GRI 201-1 201-4

TSC believes that strong operational performance is the foundation of sustainable development. In recent years, TSC has devoted significant effort to the development of new products in areas such as automotive electronics, industrial control, servers, and analog ICs, with overall synergies becoming increasingly evident. Upholding the principle of information transparency, TSC has continued to improve capital efficiency while enhancing communication with stakeholders to help them better understand the company's operations and growth.

In 2025, heightened geopolitical uncertainty and the resurgence of trade tensions—including the threat of steep tariffs on semiconductor products—accelerated the "regionalization" and "fragmentation" of global supply chains, marking a pivotal juncture where geopolitical rivalry intersected with explosive technological growth for the global semiconductor industry. Amid factors such as the rapid global rollout of 5G and the recovery of the automotive market, TSC continued to maintain steady operations. The Company recorded revenue of NT$4.55 billion in 2025, an increase of 8.41%, with net profit after tax of approximately NT$510 million and earnings per share (EPS) of NT$2.07. A cash dividend of NT$2 per share for fiscal year 2025 was approved at the shareholders' meeting, reaffirming TSC's continued commitment to shareholder returns.

In 2025, the Company continued to expand its markets, strengthen its competitiveness, enhance product value, improve integration synergies, and accelerate R&D to generate the greatest possible group-wide synergy and contribute to society. For more details on TSC's operational performance and financial information, please refer to the 2025 financial statements and annual report.

TSC 2025 Consolidated Financial Statements
TSC 2025 Individual Financial Statements
TSC 2025 Annual Report

Overall Financial Performance

Unit: NT$ thousand

Type		2023	2024	2025
Direct Economic Value Generated	Operating Revenue	4,610,473	4,197,006	4,549,563
	Non-operating Income	11,614	5,476	5,154
Economic Value Distributed	Operating Cost	2,954,250	2,902,287	2,876,485
	Employee Compensation & Benefits	648,608	681,641	635,494
	Payments to Capital Providers (Dividend Distribution + Interest Payments)	548,256	550,218	554,962
				13,720
	Government Payments Note1	146,648	68,472	
	Community Investment	-	-	-
Economic Value Retained		324,325	(136)	474,056

Note:
1. Government payments include all taxes and fines reported in the company's financial statements.
2. Overall financial performance is based on TSC's individual financials. Please refer to the full Financial Statements for detailed information.
3. Community investment includes donations to charitable organizations, NGOs, and research institutions, as well as funding for arts and educational activities.
4. Economic Value Retained = Direct Economic Value Generated - Economic Value Distributed

Financial Income from Government

Unit: NT$ thousand

Type	2023	2024	2025
Tax Relief and Credits	23,308	18,322	5,679
Investment Subsidies, R&D Grants, and Other Related Subsidies	1,460	224	175
Others	3,222	3,307	4,280

Note: The government held no shares in TSC during the past three years.

1.2 Corporate Governance

GRI 2-9 2-10 2-11 2-12 2-13 2-14 2-15 2-17 2-18 2-19 2-20 2-22 3-3 405-1

Material Topics: Business Ethics and Integrity - Strengthening Corporate Governance

Policy and Commitment

TSC adheres to the principle of integrity in business operations and is committed to enhancing its corporate governance framework, complying with all applicable laws and regulations, ensuring stable operations and sustainable growth, and safeguarding the rights and interests of shareholders and all stakeholders. Related policies and regulations include: Rules of Work, TSC Ethical Corporate Management Best Practice Principles, and TSC of Ethical Conduct.

Management Approach and Evaluation Mechanism

- Establish and regularly communicate corporate governance policies to management and employees.
- Enhance information transparency by disclosing financial and non-financial data via annual reports, sustainability reports, and the official website.
- Implement a whistleblower protection mechanism with accessible grievance channels for internal and external stakeholders.
- Ensure regular internal and external governance training for senior management, governance officers, and related teams.

2025 Performance Highlights

- **Established the "Board Secretariat" to support governance affairs in line with the Corporate Governance 3.0 initiative.**
- **Elevated the ESG Committee to a Board-level functional committee to strengthen sustainability governance; a total of 2 meetings were held in 2025.**
- **Revised internal governance documents (e.g., Board Meeting Rules, Shareholders' Meeting Procedures) in response to regulatory updates from the Financial Supervisory Commission (FSC) and other competent authorities.**
- **Achieved a ranking in the 21%–35% tier in the 12th Corporate Governance Evaluation for TPEx-listed companies; completed board and committee performance evaluations and reported results to the Board and functional committees in Q1 2024.**
- **Completed the implementation and certification of the ISO 27001:2022 Information Security Management System (ISMS) in 2025 to strengthen the organization's information security governance and risk management capabilities.**

Future Goals

Short-term (within 1 year)

Refer to results from the Corporate Governance Evaluation System and best practices domestically and internationally to develop improvement plans based on current conditions; continue to monitor the composition and gender diversity of the Board as a reference for future director candidate planning.

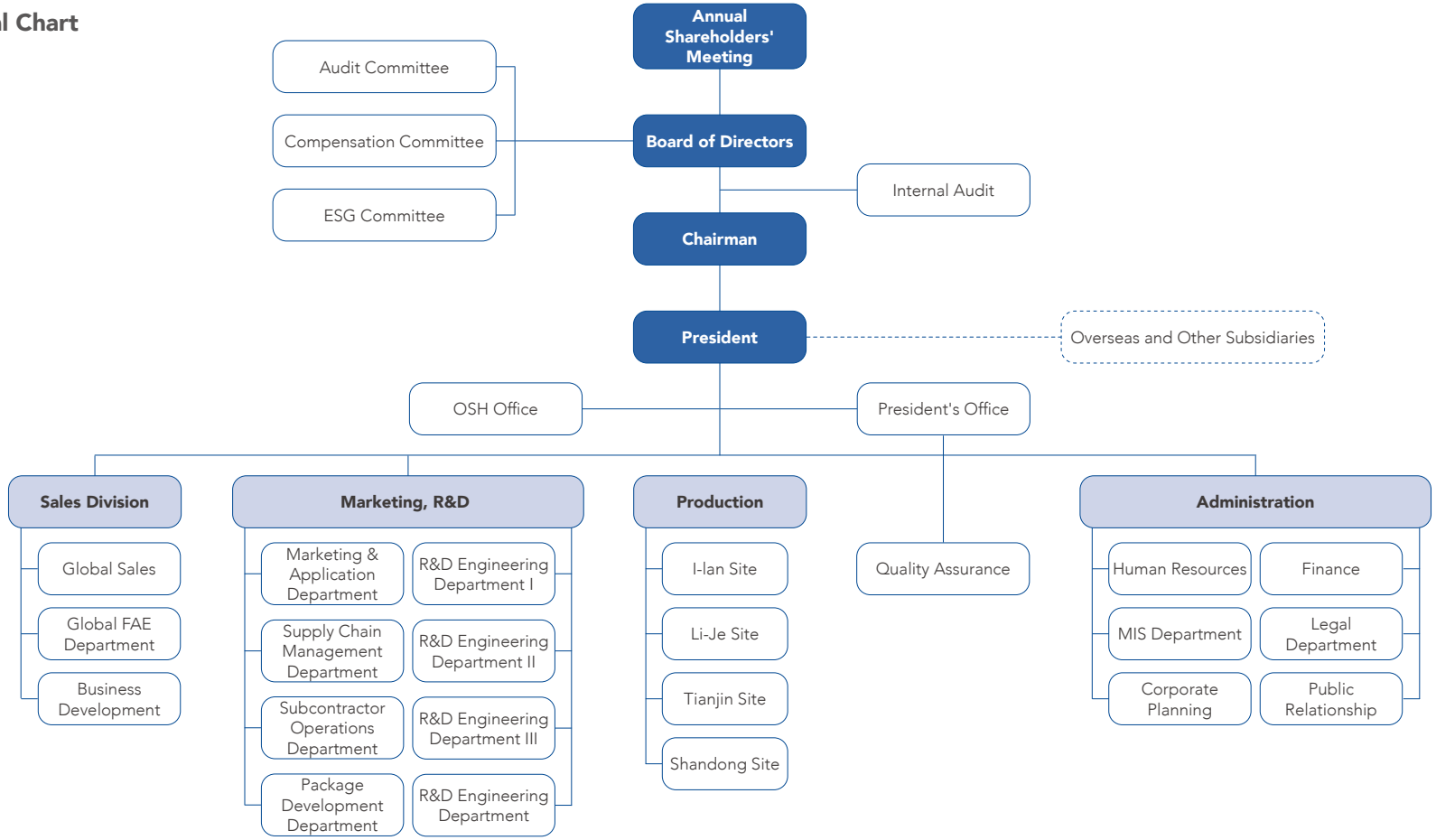
Medium-term (1-3 years)

- Continue to enhance the information security management system, building on the headquarters' completed ISO 27001 implementation to progressively strengthen cybersecurity management mechanisms at all operating sites; incorporate Board gender diversity into candidate nomination and selection considerations at the time of director re-election, gradually improving Board gender diversity.
- Establish a robust risk management system, conduct regular identification of material risks, and implement improvement tracking mechanisms.

1.2.1 Board Operations

The Board of Directors is TSC's highest governance body, responsible for guiding the company's strategic direction, overseeing management, and being accountable to shareholders. The Board of Directors of TSC exercises its powers in accordance with applicable laws, the Articles of Incorporation, and resolutions of the Shareholders' Meeting with respect to all operations and arrangements related to the corporate governance system. To enhance oversight and strengthen management functions, the Board of Directors, taking into account the Company's scale and nature of operations, has established functional committees under its authority, including the Audit Committee, the Compensation Committee, and the ESG Committee. Each committee operates in accordance with clearly defined organizational guidelines and assists the Board in fulfilling its supervisory responsibilities. The committees regularly report their activities and resolutions to the corporate governance unit and the Board of Directors. Among these, the ESG Committee is a Board-level functional committee responsible for driving and overseeing the Company's sustainability-related strategies and management mechanisms.

Organizational Chart



Board Diversity

In accordance with the TSC Corporate Governance Best Practice Principles, the Company has adopted a Board Diversity Policy with specific management targets, ensuring a complementary mix of gender, age, nationality, culture, professional background, and industry experience, and leveraging diverse industry and international market perspectives to guide TSC forward. As of the end of 2025, the Company's Board comprised 7 directors, including 4 independent directors; 2 of the directors were female. All independent directors possess the knowledge, skills, and expertise necessary to perform their duties, with extensive backgrounds in accounting, finance, business, management, and talent management, reflecting the Board's commitment to diversity. Currently, neither gender holds at least one-third of the Board seats. Going forward, in line with regulatory requirements and corporate governance development directions, the Company will continue to factor in gender diversity at the time of director re-election, gradually enhancing Board gender diversity toward the goal of having at least one-third of Board seats held by either gender.

In addition, in accordance with Article 206 of the Company Act, a majority of directors should be present at board meetings. TSC held 7 board meetings in 2025, with an average director attendance rate of 98%, reflecting good attendance in compliance with regulations. In 2025, the total remuneration of all directors (including independent directors) accounted for 6.85% of the Company's net income after tax.

Name	Title	Gender and Age	Professional Knowledge and Skills							Employee Status
			Business Judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership and Decision-Making	
Wang Shiu Ting (Stepped down as President on March 13, 2026 [ROC year 115])	Chairman and President	Male (61-80 years old)	✓	✓	✓	✓	✓	✓	✓	✓
Representative of TSC Auto ID Technology Co., Ltd.: Wang Xing Lei (Corporate Director Representative and President) (Appointed President on March 13, 2026)	Corporate Director Representative and Vice President	Male (41-50 years old)	✓	✓	✓	✓	✓	✓	✓	✓
Yan Guo Yin	Director and Vice President	Male (61-80 years old)	✓	✓	✓	✓	✓	✓	✓	✓
Jhan Cian Long	Independent Director	Male (61-80 years old)	✓	✓	✓	✓	✓	✓	✓	
Ma Shu Zhuang	Independent Director	Male (41-50 years old)	✓	✓	✓	✓	✓	✓	✓	
Chen Shu Ling	Independent Director	Female (61-80 years old)	✓		✓	✓	✓	✓	✓	
Wang Nian Qiu	Independent Director	Female (41-50 years old)	✓		✓	✓	✓	✓	✓	

Note:

1. The Chairman of the Board is elected by the Board of Directors. Internally, the Chairman serves as the head of the board; externally, the Chairman acts as the legal representative of the company. The Chairman also serves as the President and is responsible for formulating, promoting, and executing the company's strategies and long-term development plans. Any matters involving personal interests are handled in accordance with conflict-of-interest avoidance principles.
2. The age distribution of the Company's Board of Directors is as follows: 4 members (57.14%) fall within the 61 to 80 age range, and 3 members (42.86%) are in the 41 to 50 age group. For comprehensive profiles of board members and details on their meeting attendance, please refer to page 17 of the Company's Annual Report.

Nomination and Election of Directors

The members of the Board of Directors are selected based on procedures established in accordance with relevant laws and the Company's Articles of Incorporation. The nomination and election of all directors follow open and impartial procedures, in full compliance with the provisions set forth in the "Articles of Incorporation of Taiwan Semiconductor Co., Ltd."

In addition, as stipulated in the Company's "Rules for Election of Directors," both directors and independent directors are elected through a cumulative voting system and a candidate nomination system. Shareholders holding a certain percentage of shares are entitled to nominate candidates. This approach promotes shareholder participation, prevents the monopolization or arbitrary use of nomination rights, and helps maintain board independence.

Board Performance Evaluation

To implement sound corporate governance and enhance the functioning of the Board of Directors, TSC has established performance goals to improve board efficiency. In accordance with the "Remuneration Committee Charter" and the "Rules for Performance Evaluations of the Board of Directors," the Company conducts one performance evaluation annually. In 2025, the evaluation was carried out through self-assessment, either online or in written form. The evaluation covered the overall operations of the Board, each functional committee, as well as the performance of individual directors and members. The results and corresponding improvement plans were submitted to the Board of Directors for review.

Remuneration Committee Charter

Rules for Performance Evaluations of the Board of Directors

Five Key Dimensions of Board Performance Evaluation

01	Participation in company operations
02	Quality of board decisions
03	Composition and structure of the Board of Directors
04	Selection and ongoing training of directors
05	Internal controls

Six Key Dimensions of Individual Directors Evaluation

- **Understanding of corporate goals and missions**
- **Awareness of directors' duties and responsibilities**
- **Participation in company operations**
- **Internal relationship management and communication**
- **Professional expertise and ongoing training of directors**
- **Internal controls**

Performance Evaluation Process

STEP 1

Every December, the Board Secretariat collects relevant board information to initiate the self-evaluation of the Board and each functional committee.

STEP 2

Self-evaluation questionnaires are distributed to all board members and committee members.

STEP 3

The Board Secretariat collects the completed questionnaires and compiles the evaluation results into a report, which is then submitted to the Board for review.

STEP 4

The self-evaluation results are generated; for 2025, the evaluation outcome was rated "Outstanding," indicating strong execution and performance.

Board Remuneration Policy

TSC offers a comprehensive compensation package, including cash, stock options, profit-sharing, retirement benefits, allowances, and other incentives, all disclosed in the annual report per regulatory requirements. To ensure a fair system for directors, supervisors, and managers, TSC has established a Compensation Committee and established "Remuneration Committee Charter".

The Committee objectively evaluates remuneration policies based on individual performance, company results, and potential risks, providing recommendations to the Board. Director compensation is processed according to the approved "Director Remuneration Payment Scale" and reported to shareholders.

Functional Committee

	Members	Responsibilities	Meeting Frequency
Audit Committee	Composed of all Independent directors (4 members), with one person elected by all Members to serve as the convener and chairman.	• Oversee the accuracy of financial statements • Appoint, remove, and assess the independence and performance of external auditors (CPA) • Ensure effective implementation of the internal control system • Monitor compliance with applicable laws and regulations • Oversee the management of current and potential corporate risks	At least once a year; 6 meetings were held in 2025
Compensation Committee		Professionally and objectively assess remuneration systems for directors, supervisors, and managers, and advise the Board accordingly.	At least twice a year; 3 meetings were held in 2025
ESG Committee		• Define sustainability policies and strategic direction • Develop and implement sustainability action plans • Oversee execution and assess effectiveness of sustainability initiatives • Strengthen stakeholder engagement on key sustainability issues raised by regulators, shareholders, media, customers, suppliers, affiliates, employees, communities, and society	At least twice a year; 2 meetings were held in 2025

Note:
1. Director remuneration is set in accordance with Article 20 of the Company's Articles of Incorporation, which allows for up to 1% of the Company's annual profit to be allocated for director compensation. Reasonable remuneration is determined based on the Company's operational performance and each director's contribution. Managerial compensation is determined based on the Salary Cycle Management Regulations, industry benchmarks, job responsibilities, and contribution to the Company's goals. The procedure for setting compensation is based on the Company's "Annual Performance Evaluation Regulations," taking into account the overall operational performance of the Company, future industry risks and development trends, as well as individual performance achievement rates and contributions to the Company's performance, in order to provide reasonable compensation. The relevance and reasonableness of performance evaluations and remuneration are reviewed by both the Compensation Committee and the Board of Directors, and the remuneration system is subject to timely review in light of the Company's actual operating conditions and applicable regulations, to ensure a balance between sustainable business operations and risk management.
2. Including two meetings of the first committee session and two meetings after the committee was elevated to a Board-level functional committee.
3. For important resolutions of each functional committee, please refer to the TSC website.

Board of Directors Training

To comply with national and industry regulations and uphold ethical standards, TSC's Board members and senior executives regularly attend training on corporate sustainability, governance, and regulatory training, reinforcing integrity through regular continuing education for governance units and senior management. In 2025, each board member completed over 6 hours of continuing education. Details are available on pages 80–81 of the Annual Report.

Sustainability Governance

To strengthen sustainability oversight, TSC established its first ESG Committee in 2022, committed to advancing environmental protection and fulfilling social responsibility. To further embed sustainability issues into corporate governance and strengthen the Board's supervisory and guiding role

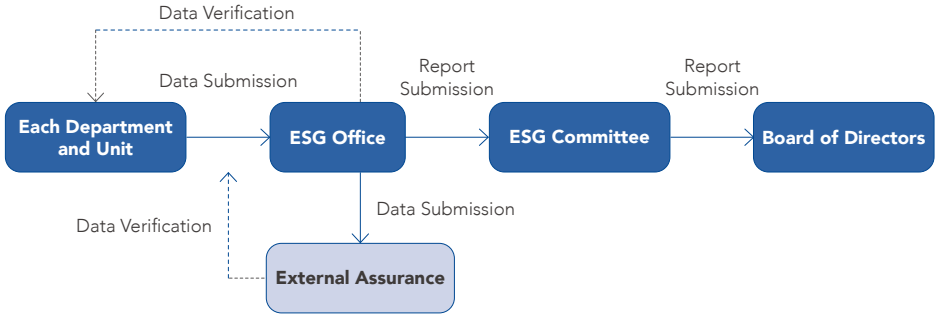
in sustainability affairs, the Board of Directors formally resolved on July 3, 2024 to elevate the ESG Committee to a Board-level functional committee, thereby enhancing stakeholder engagement and demonstrating the Company's commitment to sustainability. The Board of Directors plays a supervisory and decision-making role in sustainability governance, participating in the identification and assessment of sustainability-related issues through the committee's regular reports and topic summaries, which serve as a reference for strategic direction and governance. Going forward, TSC will continue to optimize relevant processes and management mechanisms to enhance the effectiveness of its sustainability governance.

The main responsibilities of the ESG Committee include: formulating the Company's sustainability policy, planning and promoting the sustainability governance framework, and reviewing, tracking, and revising the implementation status and effectiveness of the Company's sustainability initiatives. In addition, the committee monitors issues of concern to various stakeholders—including shareholders, customers, suppliers, employees, government agencies, NGOs, communities, and the media—and oversees communication plans. The committee meets at least once a year.

An ESG Office operates under the Committee as the executing unit, responsible for assisting with sustainability-related meeting affairs and administrative work, including agenda planning, meeting coordination, and minutes compilation. The Office consists of the Administration Division supervisor, the Corporate Governance Officer, site supervisors, and the executive secretary, ensuring that sustainability policies and action plans are effectively implemented across all levels of operations. In addition, relevant senior management participates in the advancement and execution of sustainability strategies according to their respective responsibilities, providing decision support and resource allocation on major issues to strengthen overall governance and execution effectiveness. The ESG Committee meets at least once a year to report on the progress and effectiveness of various sustainability plans, and reports sustainability performance and improvement recommendations to the Board of Directors; the Office also convenes internal meetings on an ad hoc basis as needed to ensure smooth cross-functional coordination and implementation.

Sustainability Disclosure

TSC publishes an annual Sustainability Report to share its sustainability performance and achievements with stakeholders. The preparation process involves the ESG Office collecting annual sustainability performance data from all production sites and departmental units, followed by data verification and consolidation. Once the report has been assured by an independent third-party organization, it is reviewed by the ESG Committee and submitted to the Board of Directors for approval prior to official release.



1.2.2 Ethical Business Practices GRI 205-1 205-2 2-16 2-24 2-26

Integrity has been the cornerstone of TSC's business operations for 46 years. In addition to complying with local regulations at each operating site, the Company has established integrity-related policies, internal oversight and whistleblower protection mechanisms, and promoted numerous training and awareness programs to ensure that all employees' conduct aligns with TSC's ethical values.

Policies and Regulations of Ethical Conduct

TSC has established a comprehensive integrity management framework based on national laws and the guidelines of the Taiwan Stock Exchange and TPEx. Key internal policies—such as the Rules of Work, TSC Ethical Corporate Management Best Practice Principles, and TSC of Ethical Conduct—apply to all directors, managers, and employees of subsidiaries and all overseas sites, promoting a corporate culture of integrity.

The Board Secretariat reviews the promotion and compliance status of integrity policies and prevention programs, and proactively reports to the Board at least once a year. All related policies and practices are disclosed on the Company's internal management platform and official website, for reference by all employees and other stakeholders. All related company regulations are approved by the Chairman in accordance with internal control procedures before being announced and implemented.

TSC regards suppliers as mutually supportive partners. In addition to jointly supporting the vision and goals of the Responsible Business Alliance (RBA), TSC also promotes sustainable supply chain assessments. Before cooperating with TSC, suppliers must sign the bilingual RBA Vendor Code of Conduct, which sets clear ethical standards including respect for human rights, fair competition, and the prohibition of bribery, corruption, or other forms of improper gain. For details on supplier sign-off of the RBA Vendor Code of Conduct and supplier management status, please refer to Section 3.2 Sustainable Supply Chain.

TSC Ethical Corporate Management Best Practice Principles

TSC of Ethical Conduct

Vendor Code of Conduct

Internal Supervision of Ethical Conduct

TSC maintains strong accounting and internal control systems, with the Internal Audit Office regularly assessing high-risk areas for ethical misconduct within business operations. Based on these assessments, audit plans—including targets, scope, items, and frequency—are developed and regularly implemented to ensure effective monitoring and control. For the specific responsibilities of the Internal Audit Office, please refer to "1.3.1 Risk Management System."

To mitigate corruption risks, periodic assessments are conducted under the Ethical Risk Management Guidelines, covering potential risk scenarios related to "improper gains," including but not limited to bribery, embezzlement, and improper acceptance of gifts from suppliers. Based on the 2025 assessment, no significant corruption risks or actual violations were identified at any of the Company's operating sites; however, TSC remains committed to risk prevention and management through education, internal controls, and audits.

Whistleblower Mechanism

TSC has set up a dedicated whistleblower email for internal and external stakeholders to report violations of the TSC of Ethical Conduct or other misconduct. Any complaint or report can be submitted through this mechanism. The Company commits to keeping the identity of the whistleblower strictly confidential throughout the process and protecting them from retaliation or adverse treatment. All complaints are handled by site supervisors, the Internal Audit Office, or the Legal Department as appropriate based on their nature and jurisdiction; cases involving significant corruption or operational risk are escalated to the Board of Directors for review. Any negative impact events reported through the whistleblower mechanism or other channels are managed as critical concerns. In 2025, TSC did not receive any complaints from internal or external stakeholders, and no incidents of corruption occurred.

- **Employee Feedback Mailbox:** Headquarters feedback.hq@ts.com.tw / I-lan Site feedback.ilan@ts.com.tw / Li-Je Site feedback.lije@ts.com.tw
- **External Stakeholder Whistleblower Mailbox:** anticorruption@ts.com.tw

Procedure for Handling Reports of Integrity Violations



Integrity Training and Education

TSC's ethical management policy documents apply to domestic subsidiaries and all overseas sites; overseas sites currently do not each have their own complete set of ethical management regulations and instead follow the parent company's policies. All new TSC employees are required to read the company's integrity-related policies during onboarding, covering anti-corruption, intellectual property rights, and legal compliance; related training and awareness efforts will continue to be strengthened going forward.

In 2025, TSC board members received anti-corruption awareness communications to strengthen senior management's integrity governance awareness. In addition, the Legal Department, together with the Human Resources Department, MIS Department, and Public Relations Department, leveraged existing compliance communication mechanisms to conduct several internal thematic campaigns and policy announcements for all employees at Taiwan sites in 2025, covering topics such as "the importance of information security and trade secret protection," "insider trading / upholding integrity," and "jointly complying with confidential information, trade secrets, and intellectual property protection." In addition, TSC conducted a mandatory internal training course, the "2025 RBA Code of Conduct and Compliance Governance Briefing," **with 320 employees participating and a 100% completion rate**, further deepening employees' understanding and practice of compliance, integrity, and corporate responsibility.

1.3 Risk Management

1.3.1 Risk Management System

To proactively identify and promptly address internal and external operational risks, safeguard stakeholder interests and asset security, and ensure effective risk control, TSC is committed to establishing a sound risk management framework and policies. We regularly conduct risk identification and implement risk assessment plans to ensure that all potential risks are strictly managed.

Risk Management Framework

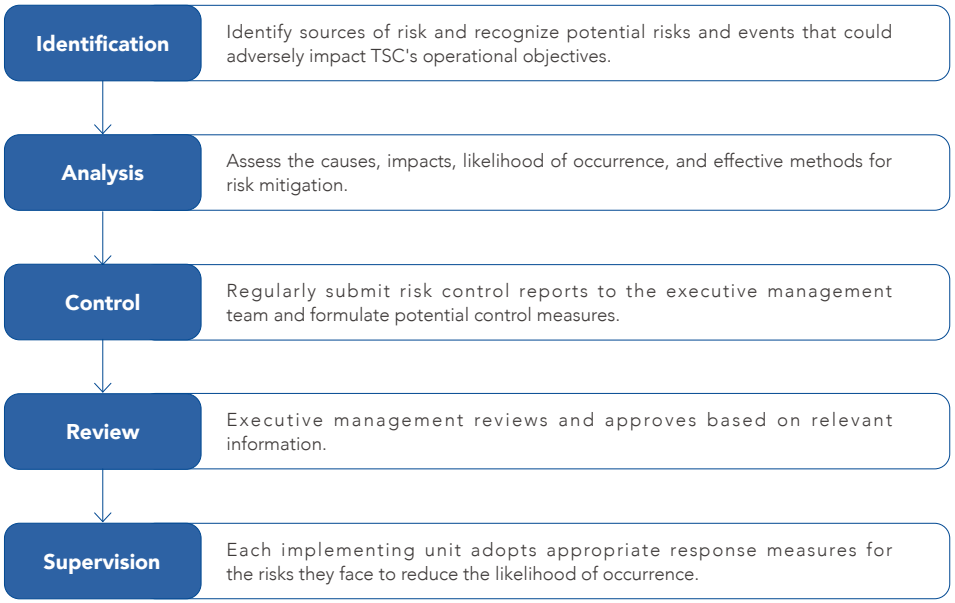
The Board of Directors oversees the overall risk management system. The President's Office is currently the department responsible for risk evaluation and supervision. Internal Audit applies the conceptual framework of the "Internal Control - Integrated Framework" issued by the U.S. COSO Committee, assessing five core areas: control environment, risk assessment, control activities, information & communication, and monitoring. Based on these assessments, we establish control policies and procedures to manage risk effectively.

Risk Management Policies

Aligned with the Responsible Business Alliance (RBA) Code of Conduct, TSC has established policies across ethics, social responsibility, occupational health and safety, environmental protection, and risk and opportunity management. These include the Business Ethics Risk Assessment Measures, the Social Responsibility Risk Assessment Measures, and the Risk and Opportunity Management Procedures, all maintained by the President's Office. Each site also follows ISO 14001 standards to implement the Occupational Hazard Identification and Risk Management Procedure and the Environmental Aspect Identification and Management Procedure, which serve as guiding principles for risk identification and the formulation of mitigation measures. To proactively manage risks relevant to its operations, TSC periodically reviews the applicability of its risk management measures and makes rolling adjustments to strengthen corporate governance and establish sound risk management practices, guiding all units in effectively identifying, measuring, monitoring, and controlling risks in their business activities. Following this year's assessment, the current measures were determined to remain applicable and continue to be implemented.

Risk Management Process

TSC's current risk management process involves the following steps of identification, assessment, reporting, and response:



Business Continuity Management

As global risks continue to escalate, TSC has established the TSC Business Continuity Management Process since 2023 in alignment with business continuity management frameworks and principles. This process strengthens management practices to ensure an immediate response in the event of an emergency, minimizing losses or harm.

Business Continuity Management Objective

To sustain operations in support of business continuity and customer needs, without disruption from natural or man-made disasters.

Risk Reporting Mechanism

External stakeholders can report potential risk items through the Anti-Corruption Mailbox and the corporate website, while internal employees may use the Employee Grievance Mailbox accessible via the intranet. These channels support the Company in assessing and mitigating internal and external risks. No complaints were received in 2025.

TSC Anti-Corruption Mailbox TSC Corporate Website

Internal Control and Internal Audit

TSC has established an Internal Audit Office reporting directly to the Board of Directors, responsible for establishing and continually strengthening the internal control system and supporting both the Board and management in fulfilling their governance responsibilities. Its core responsibilities include investigating and evaluating internal control deficiencies, assessing operational efficiency, and providing timely recommendations to enhance overall governance quality and operational effectiveness. The Internal Audit Office operates independently and is fully dedicated to conducting regular and ad hoc audits of business and financial processes to comprehensively evaluate the soundness, reasonableness, and effectiveness of the internal control systems.

Between November and December each year, the Internal Audit Office prepares the internal audit plan for the following year based on a risk-oriented approach and submits it to the Board of Directors for approval, ensuring that the internal control system remains responsive to internal and external changes. In 2025, a total of 107 audit tasks were completed, with no material deficiencies identified.

In addition, TSC annually aligns with the financial audit of listed and OTC companies, while the accounting firm simultaneously performs internal control cycle testing to examine the operational effectiveness of the internal control systems, ensuring the adequacy of risk management and operational processes.

Internal Audit Operations Process

In addition to conducting annual audits of items required by laws and regulations, the Internal Audit Office also takes into account the results of the company's operational risk assessments to formulate the audit plan and define the audit items for the following year, which are then implemented upon approval by the Audit Committee and the Board of Directors. For any identified control deficiencies or irregularities, the Internal Audit Office engages in thorough communication with the audited units, obtains corrective action plans and completion timelines where necessary, and tracks progress until completion.

All audit reports are submitted to the Audit Committee by the end of the following month after completion. A summary of deficiency improvements is reported quarterly to both the Audit Committee and the Board of Directors. In the event of a serious violation or risk of material loss to the company, immediate reporting is made to the relevant Presidents, the Audit Committee, and the Board of Directors.

In addition, external third-party audits, such as those conducted by the Taipei Exchange (TPEx) and the accounting firm (KPMG), are performed on an ad hoc basis to review the Company's internal controls.

2025 Functional Highlights

Execution of the Audit

Based on the results of the risk assessment, the annual audit plan is formulated to evaluate the internal control systems of the Company and its subsidiaries. Audit reports are prepared with supporting working papers and relevant documentation. Identified deficiencies or anomalies are disclosed in the report and followed up regularly, with tracking reports prepared accordingly.

Internal Control Self-Assessment

The Internal Audit Office promotes annual self-assessment activities among departments and subsidiaries. The findings, along with any internal control deficiencies and corrective actions, serve as the basis for the Board of Directors and the President to evaluate the overall effectiveness of the internal control system and issue the Internal Control System Statement. This information is also reported on the Market Observation Post System and published in the annual report.

Subsidiary Audit

All subsidiaries are included within the scope of internal audits. The Internal Audit Office provides assistance and supervision in the implementation of internal control systems. For any irregular indicators identified, the Internal Audit Office issues work reports to the relevant subsidiaries to facilitate timely adjustments and improvements.

Internal Audit Training

Internal auditors participate annually in training courses recognized by the Financial Supervisory Commission (FSC) to enhance professional skills and risk management awareness. Information on audit personnel and training completed is reported on the Market Observation Post System.

2025 Training Topics

- Corporate Fraud Prevention: Common Practical Considerations in Internal Controls
- AI Application and Innovation in Business from a Legal and Governance Perspective
- Practical Workshop on "Cybersecurity Protection" and "Cloud Security" Auditing
- Practical Guide to Self-Assessment

1.3.2 Regulatory Compliance

GRI 2-27 205-3 SASB TC-SC-520a.1

TSC strives to comply with all applicable laws and regulations across all areas of its operations. The Company establishes internal operating procedures and continuously monitors domestic and international legal and regulatory developments that may impact operations, updating relevant policies as needed. TSC Ethical Corporate Management Best Practice Principles explicitly requires all employees to comply with the Company Act, Securities and Exchange Act, Political Donations Act, and Government Procurement Act. Bribery, corruption, and political contributions are strictly prohibited. In accordance with Article 7, Paragraph 2 of the Ethical Management Principles for TWSE/TPEx Listed Companies, and other high-risk operational areas, appropriate preventive measures have been implemented. We uphold the highest standards of professional ethics to protect our corporate reputation and earn the trust of stakeholders.

TSC has established a robust mechanism for the management and disclosure of material internal information to prevent inappropriate information leakage and to ensure accuracy and consistency in external communications. In addition, to prevent insider trading, the Company has formulated the TSC Internal Handling of Significant Information and Prevention of Insider Trading Management Measures, which is published on the Company's website.

TSC Ethical Corporate Management Best Practice Principles

TSC Internal Handling of Significant Information and Prevention of Insider Trading Management Measures

Regulatory Compliance Performance

In 2025, there were no major violations related to anti-corruption, anti-competitive behavior, money laundering, or insider trading; however, one case involving a violation of the Water Pollution Control Act constituted another significant legal violation Note1. In total, there were two cases of violation of the Water Pollution Control Act and one case of violation of the Labor Standards Act in 2025. All issues were rectified within the stipulated deadlines, and follow-up improvement plans and procedural measures were implemented. Please refer to the table below for further details. TSC will continue to closely monitor changes in legal requirements and periodically review internal procedures to mitigate legal risks and ensure compliance in all aspects of its operations.

Violations Summary and Improvement Measures in 2025

Penalized Site	Fault	Fine (NT$)	Improvement
	2025 (3 cases in total)		
Li-Je Site	In April 2025, the Environmental Protection Bureau collected samples from the site's effluent outlet and found that the discharge did not meet the standard (nitrate nitrogen exceeded the limit; regulatory standard of 50 mg/L versus a measured value of 61.4 mg/L). The site was penalized for violating Article 7, Paragraph 1 of the Water Pollution Control Act, in accordance with Article 40, Paragraph 1 of the same Act. An environmental education course was also imposed in accordance with Article 23, Item 2 of the Environmental Education Act.	NT$816,000	• Adjust the treatment process in conjunction with a trial program. • Conduct manual testing twice daily and establish an internal warning threshold; if levels exceed 40 mg/L, the effluent is redirected to an emergency response tank for reproce
I-lan Site	In March 2025, the site was penalized in accordance with the law for violating Article 32, Paragraph 2 of the Labor Standards Act. (Extended working hours exceeded the statutory limit.)	NT$50,000	• Shift scheduling control optimization: Established a working-hours early-warning mechanism through the system, which proactively issues notifications before employees' working hours approach the statutory limit, and strengthened the shift-scheduling review process to ensure compliance with regulatory requirements. • Flexible human resource allocation: Established a cross-unit staffing support mechanism for periods of peak business demand and appropriately increased hiring of operational personnel.
Li-Je Site	In August 2025, the Environmental Protection Bureau conducted two days of sampling at the site's effluent outlet and found that the discharge did not meet the standards (nitrate nitrogen and fluoride ions exceeded the limits; regulatory standards of 50 mg/L for nitrate nitrogen and 15 mg/L for fluoride ions, with measured peak values of 94.6 mg/L for nitrate nitrogen and 23.7 mg/L for fluoride ions). The site was penalized for violating Article 7, Paragraph 1 of the Water Pollution Control Act, in accordance with Article 40, Paragraph 1 of the same Act. An environmental education course was also imposed in accordance with Article 23, Item 2 of the Environmental Education Act.	NT$1,207,800	• The cause of the violation was suboptimal operational efficiency of the wastewater treatment equipment. As a result, a diversion and collection project for high-concentration waste mixed acid was implemented, with the diverted waste outsourced to a qualified treatment facility for disposal. • Short-term measures: Adjust process wastewater diversion and confirm the stability of the MVR distillation equipment; divert and collect high-concentration waste liquid for outsourced treatment to reduce the load on the MVR distillation equipment; adjust the treatment process in line with the wastewater trial program and continuously monitor effluent quality. • Long-term measures: Engage a professional vendor to design a solution for stable compliance, and complete pipeline inventory and improvement planning.

Note: In accordance with Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," a material violation refers to any single incident where the cumulative fine reaches or exceeds NT$1 million.

1.4 Information Security Management

Foundational Topic **Information Security Management - Leakage of Sensitive Information**

Policy and Commitment

To strengthen information security management, the Company has implemented an Information Security Management System (ISMS) and established related management systems in accordance with the ISO/IEC 27001:2022 standard, covering information asset protection, risk assessment, access control, and continuous improvement, to ensure the confidentiality, integrity, and availability of information assets.

- Actively establish a comprehensive information security management framework, including the Information Security Policy, which is approved by the President and implemented as the highest guiding principle for information security management.
- Implement the ISO 27001:2022 Information Security Management System (ISMS) in accordance with the ISO/IEC 27001:2022 standard, covering information asset protection, risk assessment, access control, and continuous improvement, to ensure the confidentiality, integrity, and availability of information assets.
- Conduct awareness campaigns and training programs through various means on an ongoing basis to strengthen internal knowledge of information security and minimize operational risks caused by human error or improper use of information security assets.
- To respond to information security incidents, the Company has established the Information Security Incident Management Operational Standard, clearly defining the reporting, classification, and response procedures for information security incidents.

Management Approach and Evaluation Mechanism

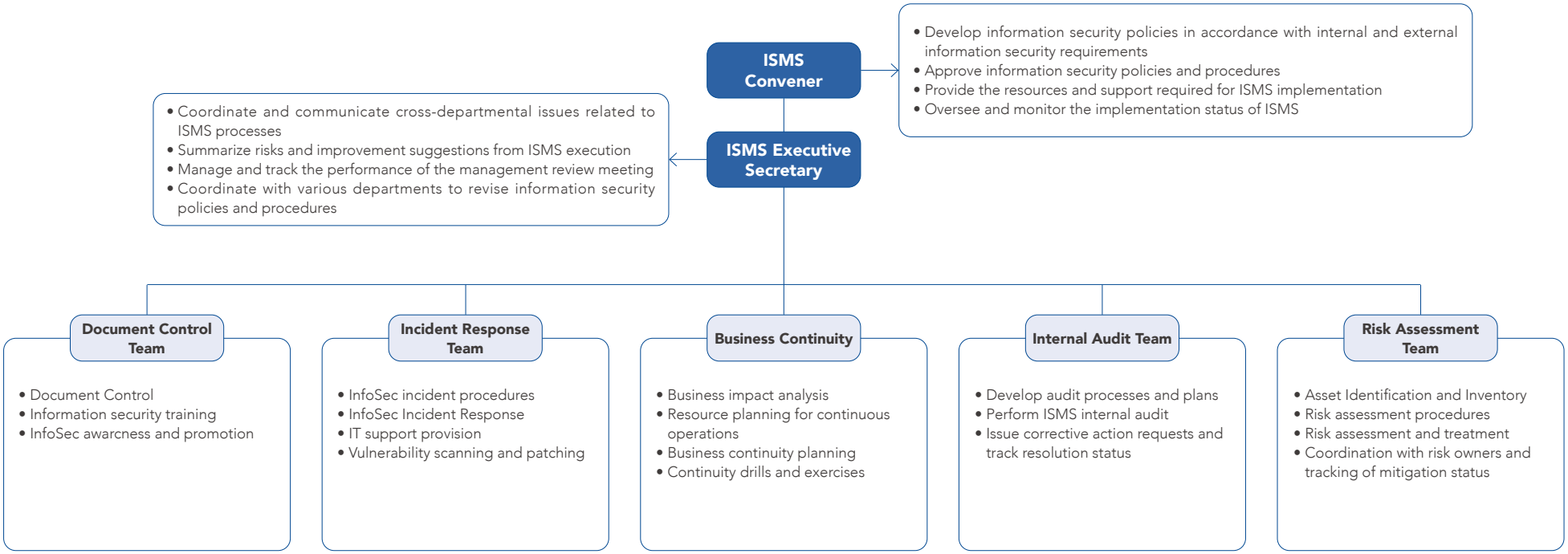
- Establish an Information Security Management Committee, led by the Chief Information Security Officer (CISO) as ISMS Convener, who appoints an executive secretary to plan, manage, and track information security indicators and risk-related issues; functional teams are also established under the committee to carry out routine information security tasks.
- When an information security incident is discovered by internal or external units, the Incident Response Team must be notified immediately to initiate the response procedure, with response measures taken according to the incident's classification and type to control damage and ensure business continuity.
- Conduct regular committee meetings to assess risks and implement improvements, including CCTV, access control, and server room maintenance enhancements.
- Regularly collect feedback from interested parties and stakeholders on TSC's information security management priorities, while notifying suppliers with formal communication to ensure basic information security awareness.
- Regularly collect threat intelligence and maintain blacklists and whitelists.

2025 Performance Highlights

- **Promoted information security training through a compliance-based communication model, conducting internal briefings on various information security topics, including "Identifying and Responding to Personal Data Breach Risks," "Information Security and Trade Secret Protection," "Phishing Attack Prevention," and "Password+ Security Management Concepts." A consolidated information security training session was held at year-end, covering the headquarters, I-lan Site, and Li-Je Site, achieving a 100% completion rate.**
- **Regular system patching and vulnerability scanning were performed, with remediation carried out based on the scan results; items that could not be patched immediately were reported to the Information Security Management Committee for risk assessment and ongoing tracking.**
- **Strengthened endpoint protection management by upgrading the antivirus management system (Apex Central) to enhance overall information security protection capabilities.**

To strengthen information security for both TSC and its customers, TSC has incorporated information security into corporate governance, establishing an Information Security Management Committee led by the Chief Information Security Officer (CISO) to oversee decisions on information security policy, regulatory compliance, and risk control. In addition, ad hoc information security tests are conducted to identify gaps in policy and management, reducing the frequency and likelihood of information security incidents. In recent years, TSC has also progressively introduced information security protection equipment and organized related training programs to build a comprehensive information security system.

Information Security Management Organizational Structure



Starting in 2024, TSC formally launched the ISO 27001:2022 Information Security Management System (ISMS) implementation project. The project covers information asset inventory, risk analysis and assessment, control planning and implementation, and incorporates incident reporting mechanisms and continuous improvement processes to build a comprehensive information security governance framework, enhancing organizational resilience and information security protection capabilities. In 2025, the implementation of the ISO 27001:2022 ISMS was completed and certification was obtained.

Functional teams under the Information Security Management Committee are responsible for implementing and operating the ISMS, advancing information asset management, risk assessment, incident response, and information security training. The Committee is led by the Convener (CISO), who is responsible for policy formulation, resource allocation, and decision support, ensuring that ISMS implementation and execution align with the Company's strategy. A management review mechanism has also been established, periodically chaired by the Convener, to review ISMS implementation status—including policy suitability, goal achievement, risk control effectiveness, incident records, resource needs, and continuous improvement recommendations—serving as the basis for maintaining and optimizing the information security system.

Information Security Policy

With the rapid advancement of information technology, enterprises face growing threats and risks related to information security. As internal digital transformation and system integration become increasingly frequent, ensuring the security of corporate information assets and protecting personal privacy have become critical components of business governance. TSC adheres to the following regulations and standards to establish a comprehensive information security governance framework:

- **Guidelines for Cyber Security Management of Listed and OTC Companies**
- **Recommendations from Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)**
- **Cyber Security Management Act**
- **ISO 27001:2022 Information Security Management Systems (ISMS) Standards**

In line with TSC's internal Information Security Policy—as well as relevant internal regulations, operating standards, and procedures—the company implements a systematic ISMS to strengthen the prevention, response, and continual improvement of information security incidents, thereby ensuring business continuity and the protection of critical information assets. Each business unit is responsible for formulating internal procedures in accordance with general information security principles, thereby supporting comprehensive regulatory compliance and control across the organization.

Key Focus Areas of TSC's Information Security Policy Implementation

- **Define clear objectives for information security, centered on three key principles: uninterrupted services, zero data loss, and zero personal data breaches.**
- **Establish corresponding policies and action plans aligned with these objectives, and regularly evaluate their effectiveness, covering:**

Information Security	Document and Record Management	Asset Management	Risk Management
Human Resource Security Management	Physical Environment Security Management	Access Control Management	Information System Acquisition, Development, and Maintenance Management
Business Continuity Management	Performance Management	Supplier Relationship Management	Internal Audits on Information Security
Operational Security and Cryptographic Technology Management	Communication Security Management	Compliance Management	Information Security Incident Management

In response to the Cyber Security Management Act and to strengthen the organization's information security governance capabilities, TSC has advanced the implementation of the ISO 27001 Information Security Management System (ISMS), continuously reinforcing its information security management system and risk control mechanisms. The implementation timeline is as follows:

2024	Formally launched the ISMS implementation project, engaging professional consultants to conduct information asset inventory, risk assessment, and control measure planning, establishing the framework for the information security management system.
2025	Continued to advance ISMS implementation, completing the establishment of internal systems and operational rollout, and completed third-party certification at the end of May, obtaining the ISO 27001 certificate. No nonconformities were identified during the initial certification audit; only Opportunities for Improvement (OFIs) were raised. The Company has addressed and tracked these items to continuously optimize its management mechanisms.
2026	Will continue to deepen ISMS operations, implement control measures, and undergo the second-year surveillance audit to ensure the ongoing effectiveness of the management system.
2027	Plans to gradually expand the scope of ISMS implementation, enhance information security management capabilities at all operating sites, and strengthen the overall information security governance framework.

Software and Hardware Security Enhancement Measures

Based on the risk assessment results of the ISMS implementation project, TSC has undertaken a comprehensive upgrade of information technology infrastructure and data center facilities. Key improvements include:

- Upgraded network security equipment, including firewalls and IDS/IPS systems, and implemented an Endpoint Detection and Response (EDR) system to improve anomaly detection and defense capabilities
- Strengthened access control and authentication through the full implementation of multi-factor authentication (MFA) mechanisms
- Enhanced data backup and disaster recovery (DR) systems to ensure the continuous availability of critical information
- Data center facility optimization, including: installation of 8 additional CCTV cameras covering entry points and critical areas of the Taipei headquarters; relocation and integration of the access control system into the data center, along with abnormality handling protocols; comprehensive inspection and optimization of the power supply, humidity control, and fire protection systems in the data center to reduce the risk of operational disruptions
- Hardware disposal practices are conducted in accordance with ISMS-4-20302: Inventory of Information Deletion, Media Disposal, and Destruction Items, ensuring the secure and complete destruction of sensitive assets to prevent information leakage

Technology and Policy Optimization

Password Policy Enhancement

- In response to key customer information security requirements, the password length specification has been revised to 15 characters and incorporated into the risk assessment mechanism
- In alignment with the Change Management process, the implementation and maintenance of the password policy have been strengthened

Account Change Management Enhancement

- Introduced application forms for account creation and modification, integrating information security change requests with the authorization process
- Established an account anomaly review process and permission tracking records to improve transparency and auditability in account management

Information Change Process Integration

- All changes to information equipment (e.g., hostnames, configurations, or change in usage purposes) must be formally applied for and approved, and incorporated into the information change control process
- Technical patching and security hardening are carried out based on scanning results and vulnerability assessments

Vulnerability Scanning and Patching Tracking

- A regular vulnerability scanning mechanism has been implemented, with priority patching and remediation for high-risk items
- Scanning results are incorporated into the risk assessment process and included in the Information Security Continuous Improvement Plan

Identification of Information Security Risks

In recognition of the critical importance of information security, TSC proactively identifies potential threats and vulnerabilities, assesses the likelihood and impact of each risk, and evaluates their urgency and scope. Risks are then classified and prioritized, with corresponding control measures developed to mitigate potential impacts on TSC's operations, reputation, financial standing, and competitiveness. No information security incidents occurred in 2025.

Notification and Handling of Information Security Incidents

To ensure timely and transparent response to information security incidents, TSC has implemented a defined Information Security Incident Notification and Response Process, guided by its internal Incident Management Operational Standard. An Incident Response Team coordinates reporting and response efforts. Once an incident is identified—whether internally or externally—it must be reported immediately to trigger the response procedure. Based on incident classification, tailored response measures are followed to contain the impact and ensure business continuity. In carrying out information security incident notification and response, each operating site complies not only with the Company's information security management system but also with applicable local laws and regulations, ensuring compliance with information security management and personal data protection requirements.

Based on incident classification (Levels 1 to 4), TSC has established tailored notification procedures and response timelines for each level. The Incident Response Team coordinates response efforts with asset owners, system administrators, and relevant departments to ensure swift and effective resolution of information security incidents, with specific measures including:

Real-time reporting and response

Upon detection of an anomaly, relevant units must report immediately to the Incident Response Team, which then initiates immediate response actions.

Endpoint isolation and access control

For high-risk incidents, device isolation and access rights adjustment are carried out to prevent risk propagation.

System recovery and risk assessment

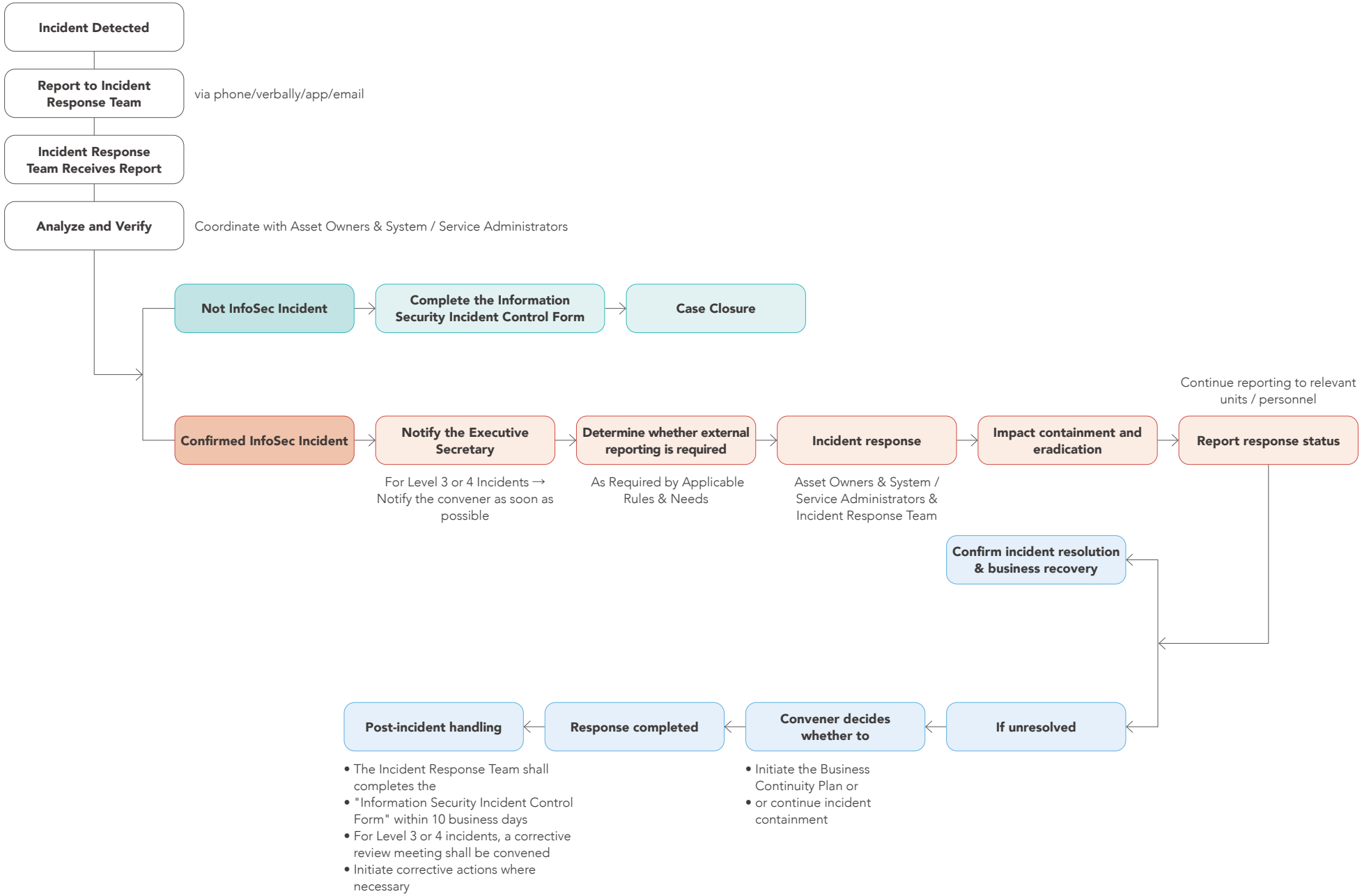
After the threat is eliminated, system repairs and a reassessment of information security risks are conducted to ensure stable business operations.

Continuous monitoring and improvement

Within 10 business days after incident resolution, a review report is compiled, outlining the cause of the incident and the handling process, along with proposed improvement measures to enhance the organization's information security resilience.

In addition, TSC has referred to the TPEx Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities to establish a comprehensive mechanism for external reporting and disclosure of information security incidents. If an information security incident reaches the level of a material event and may impact the Company's operations or investor interests, TSC will follow the relevant regulatory requirements to provide a public explanation and disclosure within the prescribed timeframe, ensuring transparency and timely response.

Through the implementation of the ISO 27001:2022 Information Security Management Systems (ISMS) and the corresponding institutionalization of management practices, TSC has significantly improved its information security management capabilities and incident response efficiency, thereby safeguarding business continuity and reducing the likelihood of major information security risks.


Incident Detected
Report to Incident Response Team
via phone/verbally/app/email
Incident Response Team Receives Report
Analyze and Verify
Coordinate with Asset Owners & System / Service Administrators
Not InfoSec Incident
Complete the Information Security Incident Control Form
Case Closure
Confirmed InfoSec Incident
Notify the Executive Secretary
For Level 3 or 4 Incidents → Notify the convener as soon as possible
Determine whether external reporting is required
As Required by Applicable Rules & Needs
Incident response
Asset Owners & System / Service Administrators & Incident Response Team
Impact containment and eradication
Report response status
Continue reporting to relevant units / personnel
Confirm incident resolution & business recovery
If unresolved
Convener decides whether to
• Initiate the Business Continuity Plan or
• or continue incident containment
Response completed
Post-incident handling
• The Incident Response Team shall completes the
• "Information Security Incident Control Form" within 10 business days
• For Level 3 or 4 incidents, a corrective review meeting shall be convened
• Initiate corrective actions where necessary

Establishing a Protection Plan and Information Security Culture

To strengthen information security governance, the Company promotes information security training through a compliance-based communication model, conducting internal briefings on various information security topics, including personal data breach risk identification and response strategies, information security and trade secret protection, phishing attack prevention, and account security management, continuously enhancing employees' information security awareness and basic protection capabilities.

A consolidated information security awareness training program covering the year's key topics was held at year-end, with training coverage extending to the headquarters, I-lan Site, and Li-Je Site, achieving a 100% completion rate, demonstrating the comprehensive implementation of information security awareness initiatives.

On the governance side, the Information Security Management Committee continues to conduct operational risk assessments based on internal and external threat intelligence, and continuously reviews and optimizes information security policies and management measures to ensure the ongoing effectiveness of information security management.

In addition, members of the various teams under the Information Security Management Committee participated in relevant professional information security training in accordance with the 2025 training plan, including the ISO 27001 Lead Auditor certification course as well as online courses on cybersecurity control guidelines, information security incident response and prevention, and information security awareness and responsibility, achieving an overall completion rate of 90%, further strengthening information security governance and risk response capabilities.

To encourage employees to stay current on cybersecurity trends, TSC's headquarters maintains membership with the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC), regularly forwarding threat intelligence issued by the center and collaborating with TWCERT/CC to strengthen the Company's information security defense and maintenance. In addition, TSC periodically engages external professional consultants to conduct internal audits (pre-audits) of the Information Security Management System (ISMS), reviewing and assessing information security management processes, control measures, and their implementation status in accordance with the ISO/IEC 27001:2022 standard, and confirming the effectiveness of control mechanisms through document review and on-site inspections (such as data center facilities and network environments).

At the same time, the implementation status of information security controls for key information systems (such as account privilege management, system access control, and vulnerability scanning mechanisms) is also verified to ensure that relevant security mechanisms have been properly established and remain in continuous operation, further strengthening overall information security governance and continuous improvement capabilities.

2025 Information Security Awareness Training – Information Security Awareness

In 2025, TSC continued to conduct information security awareness training in accordance with its annual training plan, covering global cybersecurity trends and industry case studies, the Information Security Policy and ISMS management framework, common threats and attack methods (such as phishing emails, social engineering, malware, and APT attacks), and protective measures (such as multi-factor authentication (MFA), account and password management, protection of sensitive data, and the incident reporting mechanism), while reinforcing employees' awareness of their personal information security responsibilities and the consequences of violations.

This year's training covered employees at the headquarters, I-lan Site, and Li-Je Site, ranging from entry-level staff to senior management (primarily targeting personnel at job grade 3 and above), with a cumulative participation of over 300 employees, ensuring the comprehensiveness and consistency of information security awareness promotion. In terms of managing training effectiveness, the Company has established a comprehensive assessment mechanism, requiring participants to pass a test with a score of 90 or above to be considered as having completed the training. The overall completion rate reached 100%, indicating that employees have attained a solid understanding and practical application of information security knowledge. Through the implementation of systematic training and effectiveness tracking mechanisms, TSC continues to enhance all employees' ability to identify information security risks and their responsiveness, while strengthening the Company's overall information security governance and protection capabilities.

Customer Privacy Protection

In light of TSC's growing globalization of business and services, we place great importance on mechanisms for protecting personal privacy and personal information. In accordance with TSC's Information Security Policy, Taiwan's Personal Data Protection Act, and other applicable international laws and regulations, we have established a comprehensive information security management mechanism to prevent the leakage, misuse, or unauthorized access of personal data, thereby safeguarding customer privacy rights. In the event of a customer data breach, TSC will respond in accordance with the guidelines set out in our information security policy. As of 2025, TSC has not experienced any incidents of customer personal data leakage or violations of data protection laws due to information security events. Going forward, we will continue to review and optimize personal data protection procedures in alignment with the Information Security Management Systems, ensuring the effectiveness and continuity of information security and customer privacy protection practices.

Since the implementation of the ISO 27001:2022 Information Security Management Systems (ISMS), TSC has followed the PDCA (Plan-Do-Check-Act) cycle to enforce personal data protection and information security operation standards. These include access control, data classification and grading, personal data encryption, and secure transmission protocols, all aimed at reducing the risk of customer data breaches or violations.

In addition, TSC continuously strengthens its email filtering mechanisms and Data Loss Prevention (DLP) systems to guard against the leakage of sensitive information through phishing emails or social engineering attacks. Through regular information security training and simulated social engineering exercises, we enhance employee awareness and response capabilities, reinforcing the protection of customer privacy.

In addition to complying with international standards, TSC will continue to enhance employee awareness and understanding of information security by leveraging diverse communication channels and meetings to disseminate relevant announcements and promote awareness initiatives. This includes clear guidelines on the lawful use of personal data, data retention measures, designated departments responsible for handling data breaches, and established response procedures—ensuring sustained improvement in customer privacy protection.



Recommended Primary Stakeholders for This Section:

☐ Suppliers ■ Customers ☐ Employees ■ Investors ☐ Government ■ Media ■ Others

Innovative Products and Services

2.1 R&D and Innovation

2.2 Customer Relationship Management

2.1 R&D and Innovation

Material Topics **Innovative Product Management – Sustainable Product Innovation and Intellectual Property Management**

Innovative Products and Services

To maintain industry competitiveness and promote sustainable development, TSC continues to focus on innovative product research and development. Its R&D expenditures have increased year by year, reaching NT$141,019 thousand in 2025, accounting for 3.10% of net revenue—exceeding 3% for three consecutive years. At the same time, TSC aims to minimize the environmental impact of its business operations by establishing environmental specifications for all products and controlling hazardous substances. This includes compliance with the EU RoHS Directive and REACH Regulation, while progressively incorporating green product concepts into both the design and production stages.

Policy and Commitment

- Monitor regulatory trends related to materials to ensure 100% compliance with applicable laws and regulations.
- Provide energy-efficient product solutions to reduce the environmental impact of manufacturing and packaging.
- Establish the Intellectual Property Management Measures, building a comprehensive and institutionalized intellectual property (IP) management framework to protect R&D outcomes.
- Manage IP risks to prevent rights infringement and safeguard proprietary assets.

Action Plans and Performance

- **Develop multiple innovative products, including MOSFETs, Automotive Low-Power Voltage Regulator ICs, and ESD protection devices, with ongoing validation and mass production. Launched 717 new part numbers in 2025, with more than 500 additional new part numbers scheduled for release in 2026.**
- **Achieved 99% full material disclosure by weight for 10,803 products.**
- **In 2025, the Legal Department collaborated with an external firm to conduct one patent training session for the R&D team, with 29 participants.**

Full Product Disclosure Rate
99%

Management Approach and Evaluation Mechanism

- Establish and maintain the TSC Environmental Compliance database to manage hazardous substances in accordance with EU RoHS, REACH, and other regulations.
- Have the quality management system regularly verified by third parties, including IATF 16949 and ISO 9001.
- Invest in R&D and process optimization to enhance product efficiency, reliability, and energy performance.
- Assign the Legal Department to oversee IP management, including system planning, rights protection, and coordination with external firms.
- Maintain a patent database and conduct regular reviews to assess patent value and maintenance strategies.
- Collaborate with professional firms for high-quality applications and global strategic IP protection.
- Conduct IP training to enhance awareness and practical skills among R&D and technical personnel.

2.1 R&D and Innovation

GRI 3-3 301-1 416-2 417-1 417-2 TC-SC-000.A TC-SC-000.B TC-SC-410a.1 SC-410a.2

TSC is primarily engaged in the manufacturing of Rectifiers, Transistors and LED Drivers, Assembly, Testing, and After-sales Service. Its product portfolio includes rectifiers, protection diodes, metal-oxide-semiconductor field-effect transistor (MOSFET), bipolar junction transistor (BJT), ultra-low power voltage regulators, ESD protection diodes, high voltage, low loss rectifiers, fast recovery diode (FRD), LED drivers, sensors, and wide-bandgap devices. These products are mainly applied in three key sectors: automotive electronics, the industrial market (including charging stations, power tools, and pneumatic equipment), and consumer electronics. In line with the market trend toward lighter, thinner, and smaller products, TSC has in recent years actively pursued the development of compact, energy-efficient, and integrated solutions, developing small-signal DFN packaging technology to optimize space utilization and low on-resistance MOSFETs to enhance power conversion efficiency.

Diverse Product Portfolio

TVS (Super Clamp), ESD	FRED, LLD	MOSFET	SiC Schottcky, Trech Schottky

Diverse Product Portfolio

Discrete	• Rectifier • Protection Diode • MOSFETS • Small Signal Product • General Purpose and Low VCE（sat） Transistor
Power Management Sensor Wide Bandgap	• Amplifier & Comparator • Voltage Regulator • LED Driver • Voltage Reference • Magnetic Sensor • Wide Bandgap

Product Development Execution Process



Vertical integration is one of TSC's core competitive advantages, enabling us to provide end-to-end services covering R&D, design, production, assembly, testing, and sales. This integrated approach streamlines manufacturing and reduces communication errors.

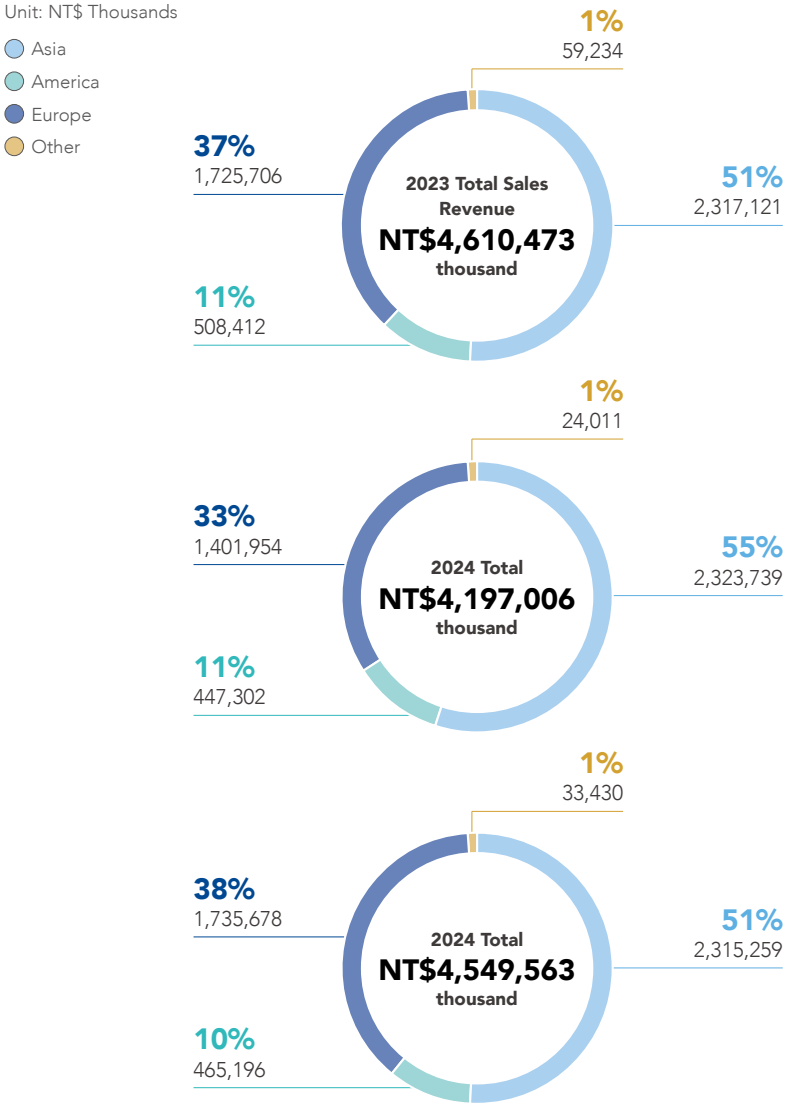
Approximately 70% of product output is produced in-house, with the remaining 30% outsourced or externally procured. The annual output of core rectifier products reaches 7,299,197 Kpcs. TSC has actively advanced transformation initiatives and adjusted sales strategies, with the automotive and industrial markets contributing around 70% of total revenue by the end of 2025. In terms of regional sales distribution, Asia accounted for 51%, Europe and the Americas combined for 48%, and other regions for 1% in 2025.



Note: Data is current as of December 2025.

Sales Performance and Proportion by Major Regional Markets

Unit: NT$ Thousands



Note: Disclosed based on TSC's parent company only financial statements.

Diversified Strategic Approach

To provide customers with more comprehensive product solutions, TSC has continuously improved its technological innovation and R&D capabilities. It has also formulated short-, medium-, and long-term product development strategies to meet customer needs and maintain a solid competitive position amid global market fluctuations.

TSC's 2025 business plan focused on technological leadership and innovative R&D, ensuring leading-edge technology in rectifiers, MOSFETs, and Schottky diodes, while introducing advanced production equipment and automation technologies. The Company implemented vertical integration and strategic alliance strategies to improve production efficiency and effectiveness, build a comprehensive supply chain, and continue expanding and optimizing its global distribution channels. In terms of production and sales, through flexible adjustments and stable supply models, lean management was introduced for the rectifier business to ensure supply flexibility, while the barcode printer business focused on strengthening supply chain quality management and providing comprehensive, high-quality services. These efforts aim to achieve stable business growth and sound financial performance.

For long-term development, in the face of challenges such as global price competition and increasingly stringent regulations, the Company complies with regulatory requirements while upholding high standards and quality development. It continues to cultivate R&D and innovative technologies, enhance product value and technical barriers, build core capabilities in upstream and downstream supply chain integration and cross-disciplinary development, expand market cooperation and connections, provide more environmentally friendly green products, and adopt a customer-centric service model to strengthen its market image and competitive advantage.

Strategic Goals

Short-term Strategy	Mid-term Strategy	Long-term Strategy
Product Development		
• Gain deep insight into market demands and accelerate product launches, such as developing advanced MOSFETs, wide-bandgap semiconductors, and high-efficiency rectifiers for automotive applications. • Leverage existing technologies and platforms to create new product variants that address diverse customer needs. • Optimize the product portfolio in line with customer requirements and market trends; identify new application scenarios to extend existing products into emerging markets and sectors.	• Enhance R&D on safety and reliability to improve product quality and market trust. • Deepen customer collaboration to deliver customized products and services, increasing market share. • Build a new product ecosystem. • Advance sustainable development and green manufacturing. • Continue to develop new markets and application areas, expanding product use cases and market scale.	• Strengthen research and practice on product lifecycle management to achieve long-term sustainable development. • Advance green product design and green manufacturing to achieve environmental and sustainability goals. • Develop cloud-based products and services to enable the sharing and collaboration of smart and digital products. • Promote product circular economy and resource utilization to achieve product reuse and waste reduction, meeting sustainability goals.
Technological Advancement		
• Introduce new talents and technologies to enhance R&D and manufacturing capabilities. • Accelerate product smartification and digitization to enhance product added value and market competitiveness. • Strengthen the R&D and manufacturing procedures of products to improve efficiency and product quality. • Strengthen cooperation with suppliers to improve supply chain efficiency and reliability.	• Introduce new materials and technologies to improve product performance and power consumption ratio. • Promote product design and testing automation to improve product development efficiency and product quality. • Promote smart manufacturing and industrial internet to enhance production efficiency and product quality. • Strengthen corporate innovation culture and R&D capabilities, enhance innovation vitality and competitiveness of the business. • Promote green manufacturing and strengthen green technology R&D.	• Promote the application of cutting-edge technologies such as artificial intelligence and machine learning to enhance the intelligence and autonomy level of products. • Continue to advance technology research and development to maintain a technological competitive advantage. • Promote comprehensive corporate digital transformation to enhance corporate intelligence and digitization level. • Promote deep collaboration and innovation with industry chain partners, jointly advancing industrial development.

A New Milestone in Digital Transformation:

Awarded "Shandong Provincial (Advanced Level) Smart Factory" Certification

In recent years, the Shandong Site has invested heavily in IT infrastructure and process refinement, striving to become a model for digital transformation. In 2025, through close collaboration between the Administration Department and the IDI Department team, the site was successfully awarded the "Shandong Provincial (Advanced Level) Smart Factory" certification, recognizing the Company's leading strength in digital production and intelligent management.

On the technical side, the Shandong Site has built an automated production control hub covering the entire manufacturing process, centered on Siemens Camstar MES/EAP, systematically improving resource efficiency and process quality. At the same time, an AI-driven visual inspection system has been deployed to provide multi-layered smart quality control, effectively reducing defect losses and quality risks. To implement green operations, we have built an integrated online platform for energy management and environmental monitoring, founded on Master Data Management (MDM), ensuring the compliance, security, and traceability of data assets and injecting solid digital momentum into efficient governance. We will continue to optimize our smart manufacturing processes, aiming to achieve "National (Excellence Level) Smart Factory" status, driving industry upgrading through smart manufacturing and realizing sustainable corporate competitiveness.

Building a Diversified, Differentiated, and Competitive Product Portfolio

Since 2024, we have continued to optimize our R&D management system, accelerating product development through the reorganization of core product R&D resources, the formation of dedicated R&D teams for target new products, and the establishment of exclusive teams for all target products. Leveraging our in-house chip design capabilities and automated assembly advantages, TSC continues to invest in the development of Schottky rectifiers, Fast Recovery Epitaxial Diodes (FRED), Transient Voltage Suppression (TVS) devices, MOSFETs, ESD protection components, and automotive Low Dropout/Low Power automotive regulators.

In chip technology, we are developing next-generation Trench Schottky Rectifiers, Fast Recovery Epitaxial Diodes (FRED), Super Junction MOSFETs, and Shielded Gate Technology (SGT) MOSFETs to effectively reduce conduction and switching losses, responding to the global market trend and demand for eco-friendly, energy-saving, and low-power solutions. These new technologies will be developed across the full product range for adoption in automotive electronics active/passive safety applications, as well as in the industrial, telecommunications, and energy sectors. ESD protection component development continues to focus on electrostatic protection products that comply with various in-vehicle communication standards and Ethernet requirements.

We are also actively investing in emerging third-generation semiconductor technologies, including Silicon Carbide (SiC) Schottky Diodes, for which new products have been progressively launched, while the development of SiC MOSFETs is also steadily underway.

In addition, for the automotive and industrial control sectors, we continue to invest in the development of low-power, high-performance voltage regulator IC products, covering 3.3V and 5V regulated power sources for automotive MCUs. Related products have progressively completed development and passed AEC-Q100 automotive qualification, with the aim of expanding our presence in automotive and industrial control application markets and enhancing customer trust and support through high quality and service.

Developing Sustainable Products

With the rise of 5G and electric vehicles, demand has grown for products that can withstand high temperatures and pressure, deliver high power, and consume less energy. Silicon carbide (SiC) semiconductors, with superior high-voltage performance, power handling, and thermal dissipation, are increasingly used in EVs, charging stations, and 5G technologies. In recent years, TSC has advanced R&D to enhance product performance and reliability, enabling delivery of higher-spec products. Since 2024, TSC has launched an ISO 14067 Product Carbon Footprint project, focusing first on assembled products for inventory and assessment; in 2025, the Shandong Site obtained product carbon footprint inventory and certification for 24 product categories.

Sustainable Product Cases Developed by TSC

Silicon Carbide Schottky Diode

High-performance power semiconductor device offering several advantages over traditional silicon Schottky diodes:

- High thermal resistance and strong voltage tolerance
- Low reverse recovery time, reducing switching losses and improving efficiency
- Compact and lightweight, suitable for space-constrained applications or devices
- Long lifespan, reducing maintenance and replacement costs

Low Power Consumption Voltage Regulator

A high-stability voltage regulation component suitable for portable and battery-powered devices, featuring:

- Extended battery life and reduced heat generation, ideal for small electronic devices
- Simplified thermal management and circuit design
- Enhanced energy efficiency and environmental performance
- Compact size and high reliability, supporting long-term stable operation

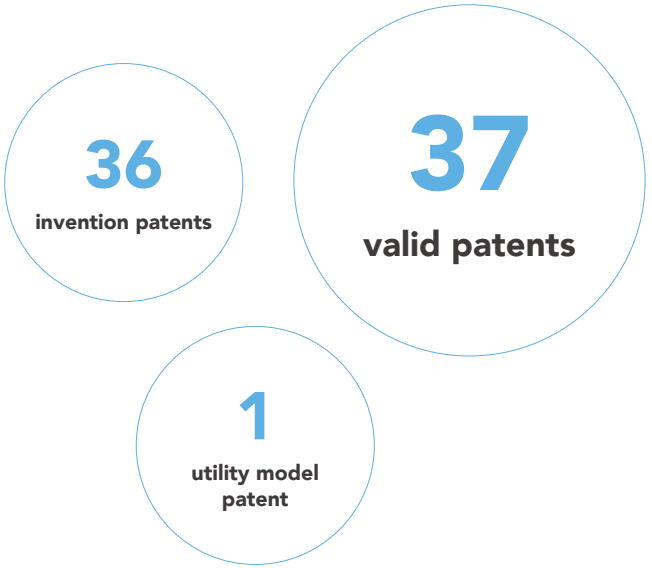
High Voltage Low Loss Rectifier

Effective rectification in high-voltage environments with reduced energy loss

- High conversion efficiency with low power dissipation
- Strong voltage tolerance and wide applicability
- Compact design without the need for large heat sinks
- Extended lifespan and reduced operational and maintenance costs

Intellectual Property Protection

Intellectual Property (IP) is a key intangible asset reflecting a company's investment in technology development, and is particularly vital to long-term corporate growth. TSC has established the Intellectual Property Management Measures to guide the management and protection of IP rights across the group. To strengthen the value of R&D outcomes and promote patent cultivation, TSC regularly engages external firms to deliver IP and patent training for internal R&D and technical teams.



In response to evolving industry structures and rapid technological advancements, TSC has redefined its intellectual property strategy—shifting focus toward optimizing existing technology and core technology development, reviewing the group's entire patent portfolio, and retaining patents of economic value. Priority is also given to filing new invention patents that demonstrate higher originality and novelty. TSC also collaborates with a U.S.-based technology company to co-develop new technologies, emphasizing quality over quantity. Rather than setting targets based on the number of patents, TSC focuses on the development and protection of core technologies, ensuring the practical application and value of its patents, while encouraging employees to engage in R&D and safeguarding the resulting outcomes. As of now, **TSC holds 37 approved and valid patents**, comprising 36 invention patents and 1 utility model patent, with 4 additional applications pending.

All of the Company's patents and trademarks are managed with the assistance of a professional international intellectual property law firm (the "Firm"), which provides expert advice on the feasibility of patent and trademark applications and identifies the markets in which to file, in order to maintain the Company's competitiveness. To effectively manage the Company's intellectual property, the Firm also stores IP content, application data, and related records in its database, reporting to the Company annually. The Legal Department submits the relevant data to the Internal Audit Office for use in annual audits, facilitating the tracking and management of IP validity periods. Through this management approach, the Company aims to maintain its competitiveness and leadership in the industry, and to leverage its current valid intellectual property to guide future R&D directions, continuously advancing its technological capabilities and process sophistication.

To reinforce TSC's commitment to IP deployment, the Legal Department, together with senior management, not only plans regular IP training or industry technology courses for R&D and technical personnel, but has also required all new suppliers to sign confidentiality agreements, while conducting internal awareness campaigns on the importance of information security and trade secrets, further strengthening the protection of the Company's trade secrets, core patents, and technologies. In June 2025, TSC invited an international IP law firm to deliver training titled "Essential Patent Knowledge for R&D Personnel" for both R&D and non-R&D staff, covering patent proposal drafting and application procedures.

To encourage employees to actively pursue research, invention, and innovation, thereby improving product quality and functionality and enhancing TSC's competitiveness, a range of incentive programs has been established, including proposal rewards, patent grant bonuses, infringement reporting incentives, rejection compensation, licensing rewards, and annual recognition, encouraging employees through diverse criteria to jointly protect TSC's intellectual property. In 2025, one patent proposal bonus and one patent grant bonus were awarded, totaling two awards with a combined amount of NT$18,000.

Quality Excellence Roadmap

To ensure product quality and process reliability, TSC has promoted the "Quality Excellence Roadmap" since 2017. Aligned with automotive quality standards, the roadmap introduces a Zero Defect Strategy, risk-based management, and process robustness in phased implementation, integrating advanced technologies and cross-functional collaboration to continuously strengthen the organization's overall quality management capabilities. Through a rigorous quality management system, TSC upholds global certifications such as IATF 16949 and ISO 9001, reinforcing its commitment to continuous product improvement and defect prevention, and delivering high-quality products to the global automotive industry.

Four Stages of the Quality Excellence Roadmap

STEP 1	STEP 2	STEP 3	STEP 4
Implementation of Automotive Project Management, Zero Defect Culture, Risk Orientation, and Process Robustness	**Expanding Zero-Defect Supplier Management and Building Product Robustness**	**Pursuit of Technical and Operational Excellence**	**Technological Innovation and Ongoing Quality Improvement**
• Adoption of automotive quality standards such as IATF 16949, VDA 6.3, and AEC-Q series • Enhancement of 5M-based comprehensive risk mindset, employee quality awareness, error prevention, and process automation • Establishment of Risk-Driven Quality Audits and Change Management Systems	• Implementation of quality management mechanisms across the supply chain, including raw materials, foundry services, and outsourced processes • Establishment of reliability databases • Reinforcement of design rules, failure simulations, and critical node validation to achieve product robustness	• Formation of cross-functional and cross-site collaborative teams for continuous improvement • Establishment of knowledge management systems, FMEA optimization, supplier development, and Value Engineering (VE) projects • Development of professional manufacturing competencies such as in-depth audits, failure mode analysis, and risk-driven reviews	• Promotion of product/process innovation, system innovation, built-in quality, and Kaizen activities • Advancement in leading-edge technologies such as system automation • Development of comprehensive reliability engineering programs and an automated zero-defect management framework

Through this long-term roadmap, TSC is systematically aligning its management capabilities with automotive electronic quality standards, reinforcing an end-to-end quality management system from design to mass production, and fully realizing its commitment to quality and a zero-defect culture.

Reliability Analysis

Since 2000, we have strengthened our management through VDA6.3 process audits and IATF 16949 global automotive quality management system certification. By integrating our existing quality management system, we assist in internal diagnosis and optimization, reinforce our zero-defect goals, and enhance competitiveness in the automotive supply chain. In addition, in response to the continuous advancement of the international automotive industry, TSC began fully implementing the latest version of AIAG-VDA FMEA (Failure Mode and Effect Analysis) in 2020 to optimize costs for products and manufacturing processes.

The Seven Steps of AIAG-VDA FMEA



Chemical Substance Control and Disclosure

TSC uses various chemical substances in its production processes, posing potential risks to human health and the environment; therefore, chemical substance control is of great importance. In recent years, environmental substance regulations have been frequently updated, with the number of regulated items increasing annually, reflecting growing international emphasis on chemical management. At the same time, customers place great importance on product composition materials, given their implications for subsequent R&D, design, manufacturing, and quality maintenance of purchased components.



To help customers quickly understand the chemical substances contained in products and accelerate demand matching, TSC has established a Materials Composition Declaration (MCD) system disclosed on its website. Each product has an MCD data sheet, allowing customers, vendors, and other external stakeholders to access product details through the official website's self-service portal and quickly search for the parts that meet their needs. In 2025, TSC conducted full material disclosure and regulatory assessment for 10,803 products, **achieving a full product disclosure rate as high as 99%**. Going forward, TSC will continue to promote full material disclosure declarations for product components, consolidating them into a transparent and comprehensive materials information database, identifying high-risk materials, and ensuring the production of environmentally friendly products.

Hazardous Substances Management

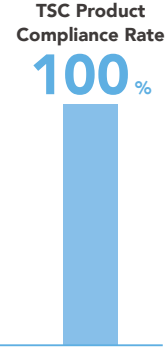
We believe that hazardous substance management is a critical element of sustainable development, and is equally important to our customers. TSC strictly complies with international regulations, including EU RoHS and REACH, and has established the TSC Environmental Compliance database to manage hazardous substances, providing more environmentally friendly manufacturing services, and disclosing hazardous substance information in response to customer needs to support customers in expanding the green product market. For a complete list of environmental regulations followed by TSC, please refer to the Environmental Regulatory Compliance section on the official website.

In 2025, certain TSC products contained declarable substances listed under IEC 62474, in accordance with the EU RoHS Directive and REACH Regulation, which permit the use of certain chemical substances for which no alternatives currently exist. Nonetheless, TSC continues to monitor regulatory developments and actively seek appropriate and safe alternatives, reviewing and revising relevant documents annually while requiring suppliers to comply accordingly. Based on assessment, as TSC's products are not end products, TSC's products and services provided to customers in 2025 had no significant impact on health and safety, and there were no incidents of non-compliance with health and safety regulations related to products and services.

TSC in the product development phase follows the ISO 9001 and IATF 16949 quality management system frameworks to conduct PDCA reviews, ensuring comprehensive assessment of health and safety impacts for all products. At the same time, we connect customer requirements across all production sites; in 2025, the design and manufacturing of TSC's products and packaging materials complied with all local regulations, and 100% met customer requirements for hazardous substance management, with no violations of product information labeling regulations or voluntary agreements, and no incidents resulting in fines or warnings.

In response to the 357 fluorine-related compounds newly designated for regulation by the Ministry of Environment, TSC will continue to track domestic regulatory requirements and timelines, and progressively reduce the use of fluorine-related compounds. We also strictly comply with product import regulations and directives of various countries. Following internal inspection, **the product pass rate in 2025 was 100%.**

Laws or Directives
EU Restriction of Hazardous Substances Directive (RoHS)[*1]
EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)
Safe Drinking Water and Toxic Enforcement Act
End-of-Life Vehicles Directive (ELV)
Persistent Organic Pollutants (POPs)
U.S. Environmental Protection Agency – Toxic Substances Control Act (TSCA)
JEDEC J-STD-609 Lead-Free Marking Standard
China Volatile Organic Compounds (VOCs) Regulation



Note: This refers to the directive concerning the restriction of the use of certain hazardous substances in electrical and electronic equipment (Restriction of Hazardous Substances).

Elevating Chemical Safety to New Heights:

Received the Ministry of Environment's 2025 Outstanding Award for Joint Defense Against Toxic Chemicals

To ensure the safe handling of high-risk chemicals (such as boron trifluoride, dichloroethylene, hydrofluoric acid, and chlorine gas), we continue to strengthen disaster drills and risk response mechanisms, embedding safety management deeply into daily operations.

In day-to-day management, we have established a rigorous inspection system covering chemical storage area checks, container labeling verification, and SDS (Safety Data Sheet) maintenance, and through an anomaly reporting mechanism and regular inspection of emergency response equipment, we ensure that protective gear and decontamination equipment remain in optimal condition at all times, reducing the risk of chemical leaks, misuse, or personnel exposure at the source through self-inspection.

Employee response capability is the core of our safety defense line; we hold semi-annual training sessions for personnel involved in chemical handling and emergency response, covering hazard identification, SDS reference, and initial spill response training, ensuring every employee is proficient in using personal protective equipment and familiar with reporting procedures. In addition to internal self-requirements, the Li-Je Site actively participates annually in joint defense activities, joining the I-lan Regional Toxic Disaster Joint Defense Organization and coordinating with the Environmental Protection Bureau, fire departments, and other joint defense members to conduct drills and response exchanges.

In October 2025, the Li-Je Site, together with the I-lan County Environmental Protection Bureau and the fire brigade, conducted a disaster response drill simulating a hydrofluoric acid transportation leak incident. Through the professional division of labor across detection, decontamination, medical notification, and emergency rescue, the drill rigorously verified the complete process from on-site perimeter establishment and gas detection to casualty handling and spill containment, effectively strengthening regional joint response capabilities.

In recognition of our outstanding self-protection and joint defense performance, we were awarded the Ministry of Environment's Outstanding Award for "Joint Defense Organization for Excellent Management of Toxic and Concerned Chemical Substances" in 2025. This recognizes our commitment to environmental safety governance (G) and occupational safety (S). We will extend this drill model to other emergency response scenarios within the plant, safeguarding employee safety and building a more resilient response mechanism.

2.2 Customer Relationship Management GRI 3-3

Foundational Topic **Customer Relationship Management**

Policy and Commitment

- Operate multiple global logistics locations and service strategies to deliver reliable, comprehensive solutions that meet customer needs.
- Maintain organizational flexibility to provide customized, high-quality services in response to special customer requirements.
- Foster a unified, collaborative culture to respond swiftly to customer needs.
- Strengthen two-way communication mechanisms to continuously enhance service quality and customer trust.

Management Approach and Evaluation Mechanism

- Implement customer relationship management in accordance with internal procedures to maintain partnerships, monitor performance, and drive continuous improvement.
- Establish satisfaction indicators and regularly review service performance through annual survey analysis and scorecard management.
- Provide customer education and training.
- Offer dedicated sales and customer service contact windows.

Action Plans and Performance

- **Conduct annual customer satisfaction surveys to identify improvement areas. The 2025 customer satisfaction survey score was 4.7.**
- **Analyze survey feedback to determine key satisfaction drivers and prioritize enhancement actions.**
- **Establish a global Field Application Engineer (FAE) team to provide real-time technical support and co-develop market demand with customers.**
- **Host seminars and training sessions to ensure timely two-way communication and issue resolution through dedicated sales and customer service contacts. In 2025, more than 50 product and application training sessions were held, accumulating over 100 training hours with more than 200 participants.**
- **Implement a distributor management system to monitor sales data, capture market trends, and refine market strategies.**

2025 Customer Satisfaction
4.7

Cumulative Training Hours
100+

TSC is committed to maintaining customer trust and service quality, with a continued focus on improving customer satisfaction. Good customer relationship management helps enhance customer satisfaction and loyalty. Conversely, poor customer relationship management may directly and negatively impact product sales and, in turn, the Company's operations. Smooth two-way communication is the primary element in maintaining customer relationships. TSC's official website provides clear product information and inquiry functions, and sales and application engineers also collaborate with agents to periodically hold product application briefings, allowing customers to access the latest and most complete product information in a timely manner.

We maintain close communication with customers through comprehensive customer service, including proactive contact and visits, satisfaction surveys, and accessible grievance channels. We continuously optimize the customer experience based on customer needs and feedback regarding products and services, thereby improving customer retention and the Company's operating performance. In addition, TSC has in recent years actively engaged in the design-in stage, participating in customer product development to meet actual product application needs and strengthening strategic partnerships with customers.

Customer Grievance Channel

To protect customer rights, TSC provides multiple grievance channels. For example, customers may submit feedback or file complaints through regional sales representatives. Upon receiving a complaint, the Sales Division, in accordance with the Customer Service Management Operating Procedures, proactively contacts the customer within 48 hours to understand the nature of the product issue—whether related to quality, delivery, or service—and accepts the complaint case. The Field Application Engineer (FAE/AE) and the Quality Assurance Department then investigate the complaint to identify the root cause and formulate corrective actions, striving to minimize losses for both parties.

Customer Grievance Process and Improvement Actions

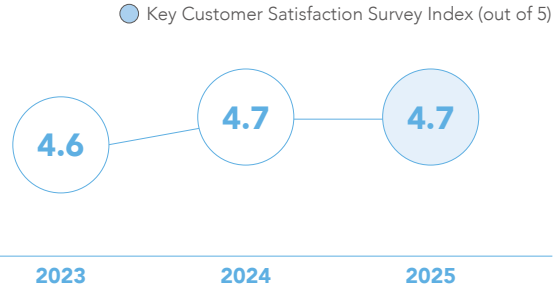
Customer Grievance	Follow-up action taken within 48 hours of receiving the complaint
Emergency Containment Measures / Cause Analysis	Conduct failure analysis to identify the root cause of the complaint, including human error, equipment malfunctions, or communication gaps.
Develop Countermeasures	Improvement measures proposed within 5 to 7 days upon receipt of the sample.
Implement Standardization of Countermeasures	Submit a report on failure analysis improvement and standardize improvement measures.

Customer Satisfaction Survey

TSC uses a dual mechanism of annual satisfaction surveys and customer scorecards to understand customer satisfaction. Headquarters conducts an annual customer satisfaction survey, sending online questionnaires to major customers who collectively accounted for over 70% of the previous year's revenue. The survey covers four major dimensions—"Customer Service and Sales Support," "Delivery," "Quality," and "Customer Experience and Partnership"—scored on a 5-point scale (5 being the highest). **Customer satisfaction has remained above 4.6 over the past three years.**

For customers who already provide scorecards, TSC uses the scorecard data directly for evaluation instead of issuing a separate satisfaction survey. The evaluation criteria and scoring methods of customer scorecards are determined by each customer's own supplier management system. The 2025 customer scorecard results showed that TSC met customers' supplier evaluation standards across all indicators. The Company will continue to monitor customer feedback and enhance product and service quality.

Customer Satisfaction



Strengthening Operational Decision-Making and Resilience through Digital Customer Relationship Management

The Company continues to leverage its Customer Relationship Management (CRM) system, strengthening channel management, customer design-in project tracking, and market data analysis mechanisms to systematically and quantitatively monitor customer and distributor sales performance, changes in customer demand, market trends, design-in progress, and product circulation status.

This key information provides an important management basis for the Company's sales strategy formulation, price management, channel incentive programs, resource allocation, and market coverage. Through data visualization and cross-departmental information integration, the Company enhances its ability to monitor market demand and project progress, ensuring the timeliness and accuracy of operational decision-making.

This mechanism not only optimizes supply-demand coordination, flexible supply chain management, pricing strategy formulation, and market resource allocation, but also strengthens global channel management capabilities and operational efficiency. TSC will continue to advance the systematization of customer relationship and market information management, along with transparency and digital transformation in information management, building a responsible supply chain and operational resilience through deepening channel partnerships and enhancing service quality, in support of the Company's long-term sustainable operations.



Recommended Primary Stakeholders for This Section:

☐ Suppliers ■ Customers ☐ Employees ☐ Investors ☐ Government ☐ Media ■ Others

03

Responsible Procurement

3.1 Supply Chain Overview

3.2 Sustainable Supply Chain

3.1 Supply Chain Overview GRI 3-3

Material Topics **Sustainable Supply Chain - Supply Chain Sustainability Management**

Responsible Procurement

The products and services provided by suppliers not only directly affect TSC's products and operations, but their corporate social responsibility also indirectly affects TSC's business ethics. TSC regards suppliers as mutually supportive partners. In addition to jointly supporting the vision and goals of the Responsible Business Alliance (RBA), TSC also promotes sustainable supply chain assessments, including requiring all suppliers to sign the RBA Vendor Code of Conduct, which sets clear standards in areas such as labor, health and safety, environmental protection, and business ethics. Together, TSC and its suppliers aim to safeguard labor rights, prevent discrimination and harassment, ensure occupational safety, uphold environmental responsibility, operate with integrity, and avoid the use of minerals sourced from conflict-affected regions, in pursuit of building a sustainable supply chain. TSC hopes to exert a positive influence on green operations while consolidating its core business.

Policy and Commitment

Supply chain members are among TSC's important partners for sustainable growth. TSC values collaboration with suppliers across QDCST (Quality, Delivery, Cost, Service, Technology) to ensure operational stability and strengthen customer service capabilities; in line with the RBA Vendor Code of Conduct, TSC also works with suppliers to fulfill ESG-related corporate social responsibilities, enhancing sustainability competitiveness. Through the establishment of the Conflict Minerals Management Policy, TSC commits that its products do not contain minerals sourced from conflict-affected regions, and communicates its conflict minerals management requirements to suppliers.

Management Approach and Evaluation Mechanism

- Follow the RBA Code of Conduct and require suppliers to comply with laws and standards on labor, health and safety, environment, and ethics, in addition to complying with the laws of their operating locations.
- The Code is regularly updated per the latest RBA version and published on TSC's website.
- Supplier management and evaluation follow the Regulations Governing Vendor Management.
- Monitor potential supply chain risks and activate Business Continuity Management (BCM) when necessary to ensure stability.

Action Plans and Performance

- **Manage and regularly track operations in accordance with the Business Continuity Management (BCM) system, continuously reviewing potential risks and optimizing supply chain resilience and strength.**
- **Local procurement ratio has remained above 60% for three consecutive years.**
- **In 2025, a total of 159 suppliers completed signing the "Declaration of Non-use of Conflict Minerals," achieving a signing rate of 91.4%.**
- **All new suppliers in 2025 passed the environmental and social evaluation criteria.**
- **In 2025, TSC successfully developed secondary suppliers for 2 critical materials.**



3.1 Supply Chain Overview

204-1

TSC's production sites are primarily located in Taiwan and Mainland China. As of the end of 2025, TSC had a total of 144 cooperating suppliers. Among these, 75 were Tier 1 suppliers, providing core materials and production services for TSC's products.

Site	I-lan[*3]	Shandong	Tianjin[*4]	Li-Je	Total (Suppliers)
All suppliers[*1]	38	50	37	19	144
Tier 1 suppliers[*2]	34	30	2	9	75

Note:
1. Statistics include suppliers of materials listed in the Bill of Materials (BOM) and service providers for production processes, excluding suppliers of packaging materials, equipment, or facility-related services.
2. Tier 1 suppliers refer to those providing key production materials.
3. Data for the I-lan Site includes suppliers from the OSAT (Outsourced Semiconductor Assembly and Testing) team.
4. Data for the Tianjin Site includes suppliers from outsourced and externally procured processes.

Local Procurement

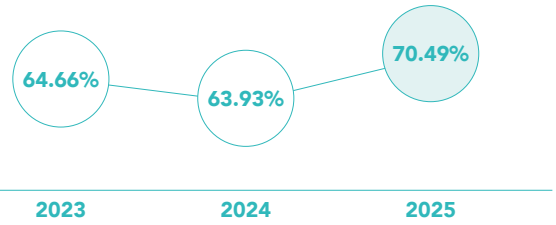
TSC values sustainable operation and incorporates social and environmental considerations throughout its business processes. Therefore, while pursuing global expansion, TSC continues to promote local procurement; despite most production equipment and materials being sourced internationally, each site continues to engage local suppliers in an effort to establish a lean, robust, healthy, and sustainable supply chain. In 2025, local procurement accounted for 70.49% of TSC's total procurement expenditures, maintaining a rate above 60% for the third consecutive year. Moving forward, TSC will continue to foster stable partnerships, enhance mutual trust, and increase the proportion of local procurement to support local economic development.

Local Supplier Procurement Overview

Unit: NT$

	2023	2024	2025
Local Procurement Value	2,385,856,083	2,560,021,654	2,675,340,764
Total Procurement Value	3,690,102,856	4,004,220,444	3,795,337,770

Local Procurement Ratio (%)



Note:
1. TSC's key operational sites include all manufacturing facilities, namely the Li-Je Site, I-lan Site, Shandong Site, and Tianjin Site.
2. Local suppliers are defined based on the geographic location of each site: for the I-lan Site and Li-Je Site, local procurement refers broadly to suppliers within Taiwan; for the Shandong Site and Tianjin Site, it refers to suppliers within mainland China.
3. The statistical scope includes categories of raw material suppliers and purchased finished goods suppliers, excluding suppliers of facility and labor services.
4. The above statistics include related party transaction data.

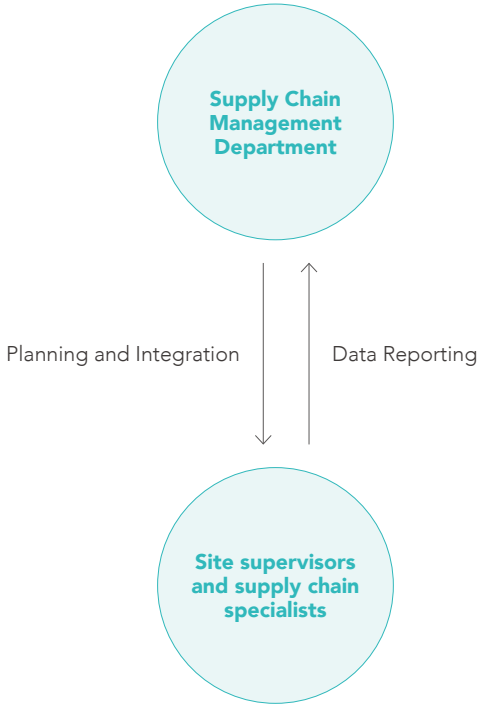
3.2 Sustainable Supply Chain

3.2.1 Sustainable Supply Chain Management

GRI 2-23 2-24 3-3 308-1 308-2 403-7 409-1 408-1 414-1 414-2

Supply Chain Management Measures and Strategies

Sustainable supply is a key element of TSC's supply chain strategy. In recent years, geopolitical factors, including wars and trade wars, have reshaped global enterprises' supply chain footprints. Amid these external uncertainties, TSC recognizes the need to strengthen supply chain resilience, including supplier diversification, Business Continuity Management (BCM), and inventory level monitoring, to address potential risks and crises. TSC's Supply Chain Management Department integrates procurement resources across all sites through headquarters and optimizes the overall supply chain, with management covering resources, demand, manufacturing, and supply. Through regular production-sales cycles combined with a production-sales management platform mechanism, the department flexibly reviews collaborative processes and operating rules between production and sales, and supports operating system functional design to ensure process integration, reduce non-standardized operations, and comply with internal audit and control principles, leading cross-unit teams in a collaborative model that maximally aligns with industry best practices to support the Company's operational growth goals.



To ensure that supply chain coordination balances inventory risk with meeting customer demand, the Supply Chain Management Department follows the principle of "Supply Continuity," supplemented by flexible inventory policy adjustments in response to changes in product and market demand, ensuring uninterrupted supply in the event of unforeseen circumstances or force majeure while managing inventory risk. TSC implemented the Business Continuity Management (BCM) system in 2023, and by 2025 had successfully developed secondary suppliers for 2 critical materials to reduce procurement risk. Each site manages supply chain issues and collaborates with headquarters to continuously review potential risks, optimize supply chain resilience and strength, and provide feedback on upstream process strategies and execution consensus, ensuring balance and consistency across the supply chain.

While integrating supply management organizational resources and strategies, TSC also actively collaborates with customers. Through contractual mechanisms and IT integration, TSC not only maintains partnerships and real-time information exchange but also further strengthens the depth of supply chain collaboration and responsiveness. This helps reduce supply chain costs, improve efficiency, and promote data transparency, jointly enhancing the supply system's flexibility in responding to demand fluctuations or external variables.

Three Core Elements of Supplier Management

Foundation Building

- Integrate production and sales plans, implement and promote the basic PDCA management cycle, and establish a structured, institutionalized foundation for supply chain management.
- Improve order service response efficiency and capability.
- Combine with product development progress and cross-functional business communication to advance the systematization and transparency of product management, ensuring a comprehensive supply chain foundation that supports product development introduction and market launch activities.

Stable Growth

- Establish a Strategic Sourcing function to plan and drive supply chain strategy, enhancing supply chain scope, flexibility, and strength.
- Through centralized control, strategically guide site execution to enhance the supply chain's responsiveness and flexibility to changing circumstances, along with tracking and improving centralized procurement opportunities, supply chain cost-effectiveness, and the efficiency of integrating procurement proposals between headquarters and sites.

Sustainable Operation

- Implement and leverage the value of information flow in business management, gradually moving toward KPI-driven quantification of business management, helping management quickly identify problem areas and root causes, rapidly initiate action plans, resolve issues, and continuously drive Continuous Improvement Processes (CIP) to enhance the Company's competitiveness.
- Going forward, TSC plans to integrate AI technology to accelerate the identification of opportunities for improving organizational performance and operational process efficiency.

Supplier Sustainability Impact Assessment

TSC continues to monitor and review the resilience of its supply chain. In addition to basic supplier selection criteria such as technology, delivery, quality, and cost, TSC also conducts a comprehensive assessment across economic, environmental, and social dimensions to implement its risk management and sustainable operation philosophy.

To ensure suppliers work together toward sustainability goals, TSC has proactively followed the Responsible Business Alliance (RBA) guidelines since 2017, establishing the RBA Vendor Code of Conduct that requires suppliers to comply. The Code draws on internationally recognized standards, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. It has been approved by the Chairman and applies to all business locations. Procurement units at each site track the daily operations of their respective suppliers and report any violations of the Code of Conduct to the Supply Chain Management Department. In addition to requiring compliance with the laws of the operating location, clear standards are established in the areas of labor, health and safety, environment, and business ethics, covering labor human rights, anti-discrimination and anti-harassment, occupational safety, the environment, and ethical business practices.

TSC requires suppliers to sign the RBA Vendor Code of Conduct before cooperation, which clearly defines relevant ethical standards, including principles of respecting human rights, fair competition, and prohibiting any form of bribery, corruption, or other improper gains. In addition, new suppliers must sign the RBA Vendor Code of Conduct before cooperation, and TSC also conducts supplier evaluations in accordance with its internal Regulations Governing Vendor Management, covering suppliers' records of environmental and social impact and whether they hold certifications such as ISO 14001 (Environmental Management Systems) or ISO 45001 (Occupational Health and Safety Management Systems), extending to environmental protection, health and safety, and management systems, with the aim of jointly enhancing corporate social responsibility with suppliers. All new suppliers in 2025 passed the environmental and social evaluation criteria, with no significant negative impacts identified.

Note: Supplier selection primarily focuses on raw material suppliers. In 2025, TSC's sites added 3 new relevant suppliers, and no existing suppliers violated TSC's RBA Vendor Code of Conduct.

We continue to closely monitor regulatory and geopolitical developments related to specific material issues. For example, the Russia-Ukraine war has led to bans on certain Russian steel materials; U.S.-China trade tensions have resulted in export restrictions on specific materials from mainland China; and investigations into product or material sourcing related to Uyghur human rights issues in Xinjiang may all impact the supply chain.

In response to these challenges, TSC has adopted relevant policies and conducts due diligence and source declarations to ensure service and protection for customers. For details regarding conflict minerals (tantalum, tin, tungsten, and gold), please refer to Section 3.2.2 "Conflict Minerals Management."

TSC's "RBA Vendor Code of Conduct"

New Supplier Selection Process

STEP 1 Search	**New supplier/ new material development need**	• Applicable to the development of new products when existing suppliers are unable to satisfy such needs or provide similar products • Develop a second supplier • Customer-designated
STEP 2 Selection	**New Supplier Sustainability Risk Assessment and Evaluation**	• **Quality:** The supplier is required to possess the ISO 9001 Quality Management certification while aiming to obtain the IATF 16949 Automotive Quality Management System certification. • **Environment:** The supplier is required to possess the ISO 14001 Environmental Management Systems certification (or other equivalent certifications) and meet the REACH and RoHS requirements. • **Society:** The supplier is required to comply with principles concerning workers human rights, prohibition of child labor, human treatment, anti-discrimination or anti-harassment as stipulated in the RBA Code of Conduct. In 2025, XX% of suppliers passed the social assessment. • **Conflict-Free Sourcing Initiative:** The raw materials provided are prohibited from containing conflict minerals; if the origin of the conflict minerals cannot be confirmed or the use of conflict minerals is confirmed, disclosure of a conflict minerals report is required. • **RBA Vendor Code of Conduct:** Comply with and sign TSC's "RBA Vendor Code of Conduct."
STEP 3 Development and Validation	**Engineering trials, VDA 6.3 process audits, safe mass production operations, and material review meetings**	Engineering technology certification, quality system certification: Confirm sample analysis results, finished product packaging, etc.; the procurement process may only proceed after passing evaluation and review.
STEP 4 Production and Oversight	**Procurement and Evaluation**	Conduct comprehensive evaluations covering quality, delivery, price, service, technology, and RBA compliance, continuously building long-term partnerships through enhanced supply chain communication and collaboration.

Automotive Supplier Audits

To effectively manage automotive suppliers and differentiate their quality capabilities, TSC classifies automotive suppliers into four categories and conducts audits every three years based on VDA 6.3 process audits and ISO 9001 quality management standards, ensuring upstream suppliers' product quality meets TSC's high standards. Audit formats include on-site, online, and documentation reviews. In 2025, a total of 18 automotive supplier audits were completed, with results showing 13 suppliers fully compliant and 5 conditionally compliant; no major deficiencies were found, demonstrating solid overall supplier quality management performance.

If non-conformities are identified during an audit, TSC requires suppliers to submit and implement corrective action plans within a specified timeframe, and follow-up reviews are conducted to verify improvements. For systemic issues, the Quality Assurance and Procurement teams jointly support suppliers in root cause analysis and provide technical guidance and management recommendations. For suppliers that continuously fail to meet standards or show insufficient improvement, TSC will adjust cooperation strategies as needed or schedule re-audits to minimize automotive supply chain quality risk.

Four Categories of Automotive Supplier Management

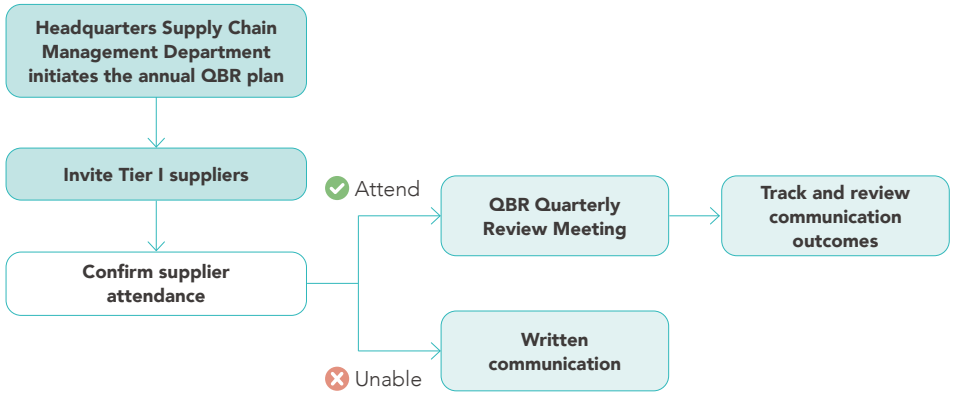
- General Commercial Level supplier
- Tier 1 Commercial Level supplier or Industrial Level supplier
- General Automotive Level supplier
- Tier 1 Automotive Level supplier

Note: Regular audits include on-site audits, online audits, and documentation reviews.

Enhancing Supplier Communication

TSC aims to cultivate strong partnerships with its supply chain to jointly achieve sustainable supply chain management goals. Therefore, TSC promotes more transparent and effective communication channels, such as Quarterly Business Reviews (QBRs), covering QDCST (Quality, Delivery, Cost, Service, Technique), to maintain close partnerships with key and strategic suppliers and to monitor Tier 1 suppliers' ability to manage their Tier 2 supply chains. In addition, TSC continues to improve and implement a scorecard evaluation mechanism to review supplier practices and performance across various dimensions, hoping to drive continuous supply chain improvement through brand influence. The scoring criteria are weighted as follows: Quality 40%, Delivery 20%, Cost 25%, and Service & Technology 15%, out of a total of 10 points, with a minimum quarterly score of 6 required to maintain continuous improvement and optimization of the items TSC requires from suppliers.

Quarterly Business Review (QBR) Program Execution Procedure:



Raw Material Management

TSC provides integrated semiconductor services from wafer fabrication to assembly and testing. The front-end process involves chemicals, etchants, developers, and silicon wafers, while back-end operations use materials such as lead frames, resins, and carrier tapes. We continually optimize production processes to reduce resource waste at the source wherever possible. In selecting raw material suppliers, we uphold high standards, following each site's procurement management processes and operating norms to select suppliers that meet regulatory and quality requirements.

Total Amount of Production Material Consumption Used

Unit: Kg

	2023		2024		2025	
	Weight	Percentage	Weight	Percentage	Weight	Percentage
Total renewable materials used		6%	150,072	5%	232,425	4%
Total non-renewable materials used	2,418,640	94%	2,961,346	95%	5,074,044	96%
Total materials used	2,577,093	100%	3,111,419	100%	5,306,469	100%

Note: The data includes all manufacturing sites.

Packaging Material Management

In terms of packaging materials, each site plans packaging formats appropriately based on the annual production plan, product category, customer requirements, and environmental regulations. Each site uses recyclable packaging materials wherever possible, including reusable cartons, plastic packaging, and cushioning materials. Packaging materials such as reels and plastic boxes used at the I-lan Site are also recovered and reused annually in partnership with suppliers; the Shandong Site has in recent years implemented measures such as replacing paper reels with plastic reels and discontinuing the use of inner-box plastic outer wrapping film, achieving reductions at the plastic source.

Total Packaging Material Usage

Unit: Kg

	2023		2024		2025	
	Weight	Percentage	Weight	Percentage	Weight	Percentage
Total renewable materials used	112,337	23%	114,588	23%	119,591	19%
Total non-renewable materials used	369,046	77%	391,520	77%	517,646	81%
Total materials used	481,384	100%	506,108	100%	637,237	100%

Note: The data includes all manufacturing sites.

Value Chain Collaboration

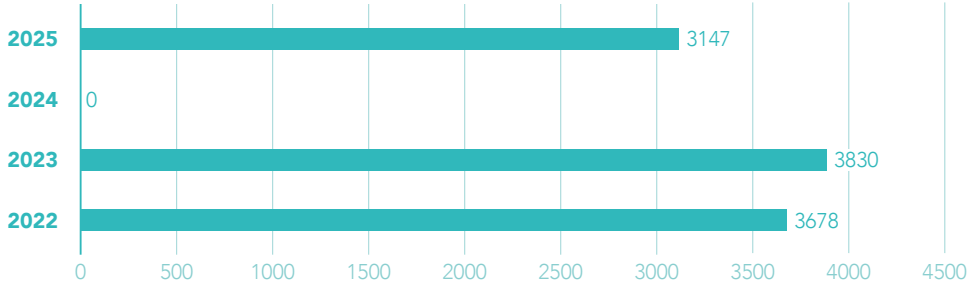
3.1 Supply Chain Management | 3.2 Sustainable Supply Chain

Although the packaging materials TSC uses are largely designated to meet customer requirements—for example, anti-static plastic packaging is used to provide electrostatic shielding for content protection and is difficult to replace with other materials—TSC is also committed to promoting value chain collaboration and seeking suitable vendors for recycling wherever possible. In 2025, TSC continued to promote resource circulation; at the I-lan Site, bonding wire reels were recovered and reused with the assistance of the original supplier, totaling **500 units** recycled for the year; the number of recycled plastic packaging boxes for lead frames grew significantly, **from 1,293 units in 2024 to 1,345 units in 2025; and 283 plastic reels for clip packaging were recycled.** This demonstrates TSC's progress in promoting the circular reuse of consumables and the benefits of its resource management efforts. Going forward, TSC will continue to inventory recyclable materials and assess their reuse feasibility to further strengthen resource circulation efficiency.

	Packaging Material Reduction Measures
I-lan Site	• Packaging materials used at the I-lan Site, such as reels and plastic boxes, are also recovered and reused annually in partnership with suppliers. • At the I-lan Site, bonding wire reels were recovered and reused with assistance from the original supplier, totaling 500 units recycled for the year; the number of recycled plastic packaging boxes for lead frames grew significantly, from 1,293 units in 2024 to 1,345 units in 2025; and 283 plastic reels for clip packaging were recycled.
Shandong Site	• Plastic reels have replaced paper reels, achieving 100% reuse for clip and carrier reels; frame packaging boxes are also recycled and reused, reducing annual packaging waste generation by 128 metric tons. • The use of inner-box plastic outer wrapping film has been discontinued, achieving a source reduction of approximately 6,000 kilograms of plastic annually.
Li-Je Site	In 2025, 3,147 kg of wafer boxes (PP) were recycled.

Wafer Box Recycling Volume

Unit: Kg



3.2.2 Conflict Minerals Management

TSC is committed to corporate social responsibility and international human rights by implementing a Conflict Minerals Management Policy, ensuring its products do not contain minerals from conflict-affected regions. We also communicate our conflict minerals management requirements to suppliers based on the Responsible Minerals Assurance Process (RMAP) and conduct due diligence across the supply chain through questionnaires. In procurement, we encourage suppliers to source raw materials from smelters or refiners verified by third parties, prohibiting the use of conflict minerals from the Democratic Republic of the Congo or adjoining countries. Through the supplier evaluation process, TSC requires suppliers to sign the "Declaration of Non-use of Conflict Minerals," aiming to work together with suppliers to reduce social and environmental impacts. In addition, the results of mineral reports filed under the Responsible Minerals Initiative (RMI) are published on the official website, disclosing smelter information and mineral sourcing within the supply chain. For further details, please refer to the "Environmental Management – Conflict Minerals" section on TSC's official website.

Conflict Minerals Management Measures



Conflict Minerals Due Diligence Status

Tantalum, tin, tungsten, gold (3TG), and cobalt are essential raw materials in electronics manufacturing, while conflict minerals refer to minerals mined under conditions of armed conflict and human rights abuses, including materials extracted in the Democratic Republic of the Congo or adjoining countries. TSC follows the results of mineral reports filed under the Responsible Minerals Initiative (RMI) to avoid the inadvertent use of metals from conflict-affected regions.

TSC also clearly requires suppliers to commit to not using mineral raw materials mined under illegal and abusive working conditions such as forced labor or child labor abuse, and encourages suppliers to establish their own mineral management policies and communicate them to next-tier suppliers. In addition, we encourage suppliers to procure from conflict-free smelters recognized by the Responsible Minerals Assurance Process (RMAP) or other equivalent independent third-party audit bodies, to ensure products do not contain minerals from conflict-affected regions.

TSC annually reviews the list of smelters currently used for its products against the Conformant Smelters List for supply chain 3TG and cobalt published on the official RBA website, and conducts supplier surveys on conflict minerals through questionnaires. To understand suppliers' mineral sourcing, TSC uses the RMI's conflict minerals reporting template as the survey basis, regularly requiring all suppliers to disclose their mineral sources and sign the "Declaration of Non-use of Conflict Minerals," ensuring procurement sources are free from conflict-affected regions and meet customer and regulatory requirements. **In 2025, a total of 159 suppliers completed the declaration, achieving a signing rate of 91.4%.** We hope to fulfill our corporate responsibility jointly with suppliers to prevent incidents in violation of humanitarian principles, thereby creating sustainable corporate value.

Status of the "Declaration of Non-use of Conflict Minerals" Signed by Each Site

Site	Number of Supplier Responses	Total Number of Suppliers	Signing Rate
Li-Je Site	28	31	90.3%
I-lan Site	44	52	84.6%
Shandong Site	54	54	100%
Tianjin Site	33	37	89.2%
Total	**159**	**174**	**91.4%**

Note: Suppliers primarily consist of those providing materials required for production, excluding packaging material suppliers.





Recommended Primary Stakeholders for This Section:

☐ Suppliers ☐ Customers ■ Employees ☐ Investors ■ Government ☐ Media ■ Others

04

Equal Workplace

4.1 Talent Attraction and Retention

4.2 Protecting Workplace Environment

4.1 Talent Attraction and Retention

GRI 3-3 GRI 2-7 2-8 2-19 2-20 401-1 405-1 405-2 TS-SC-330a.1

Material Topics Sustainable Supply Chain - Supply Chain Sustainability Management

Equal Workplace

TSC believes that talent development is a core driver of corporate growth. Amid the rapid evolution of the semiconductor industry and a highly volatile global environment, strengthening organizational resilience and forward-looking talent strategy has become an important aspect of sustainable business development. In response to global ESG and DEI trends, TSC continues to promote diverse recruitment strategies to attract outstanding talent, and continuously optimizes its talent development framework and systems to help employees grow across different roles and technical fields, strengthening the organization's overall competitiveness. At the same time, through benefit programs and health promotion measures, TSC creates a safe and supportive work environment, enhancing employee engagement and organizational identification, and realizing a sustainable workplace where the Company and its talent grow together.

Policy and Commitment

TSC continues to promote diverse recruitment strategies to attract outstanding talent, strengthening talent retention and organizational stability, and commits to providing various benefit programs and health promotion measures to enhance employees' sense of organizational identification.

Management Approach and Evaluation Mechanism

- Optimize the talent development framework and system, promoting internal talent promotion and succession planning for key positions.
- Optimize the performance evaluation system, linking individual contributions with compensation allocation to strengthen incentives and retention for high-performing talent.
- Conduct a global inventory of TSC's organizational and workforce structure, establishing a standardized and scalable foundation for human resource management.
- Design corresponding courses based on different job categories, levels, and competency needs, continuously enhancing employees' career capabilities and managers' leadership skills.

Action Plans and Performance

- **In 2025, launched leadership competency training courses to develop mid- to senior-level managers and high-potential talent, optimizing management thinking and methods to strengthen the foundation for talent retention.**
- **In 2025, consolidated site-level training regulations and standardized training materials to improve the quality of skills training.**
- **In 2025, launched a digital performance management system, connecting corporate strategy, departmental development direction, and individual annual goals.**
- **In 2025, 100% of employees completed performance and career development reviews.**

100%
All Employees Completed Performance and Career Development Reviews

4.1 Talent Attraction and Retention GRI 401-2 401-3 403-6

Material Topics **Diversity and Inclusion - Unfriendly Workplace**

Equal Workplace

TSC firmly believes that talent is a vital cornerstone of sustainable corporate development, and is committed to building an attractive, growth-oriented work environment to attract outstanding talent and promote long-term employee retention. Through a comprehensive compensation and benefits system, diverse employee care measures, and a friendly workplace culture, the Company continues to enhance employee job satisfaction and sense of belonging.



Policy and Commitment

TSC commits that its operating activities comply with the UN Guiding Principles on Business and Human Rights (UNGP), International Labour Organization (ILO) standards, and the Responsible Business Alliance (RBA) Code of Conduct, continuing to build a diverse, equal, and inclusive workplace, and striving to provide fair and consistent employment opportunities regardless of gender, age, race, nationality, religion, political affiliation, or sexual orientation.

Management Approach and Evaluation Mechanism

- Strictly prohibit child labor and forced labor, implement the principle of non-discrimination, safeguard statutory benefits and equal pay for equal work, and highly respect employees' freedom of association.
- Adopt a four-step approach of "identification – assessment – improvement – audit" to regularly review human rights risks and impacts across our own operations and supplier base.
- Establish a multi-tiered communication matrix to maintain transparent, two-way communication with employees, and conduct an annual employee opinion survey.

Action Plans and Performance

- **In 2025, TSC had no discrimination-related complaints and no incidents of involuntary labor or withholding of identity documents.**
- **In 2025, improvements were made based on the previous year's employee opinion survey results, leading to a significant improvement in the results of the employee opinion survey conducted by a third-party organization.**

0
Discrimination-Related Complaints

4.1.1 Diversity and Inclusion

Manpower Structure

TSC deeply understands that talent is key to sustainable development. We continuously strive to establish a diverse, equal, and inclusive workplace that respects the unique value of every employee, thereby driving organizational innovation and overall effectiveness. In terms of talent deployment, TSC combines local roots with a global outlook, embracing international talent while ensuring relevant processes comply with legal regulations and legal work status, ensuring the stability of cross-border workforce utilization.

We are committed to providing fair and consistent employment opportunities regardless of gender, age, race, nationality, religion, political affiliation, or sexual orientation. As a result, our workforce is already diverse, encompassing multiple Asian countries and regions (Taiwan, Singapore, the Philippines, Malaysia, etc.), and is distributed across the headquarters and all site locations.

In 2025, in response to the Company's medium- to long-term development strategy and organizational optimization, various regions continued to promote organizational adjustments and regional division of responsibilities to improve operational efficiency and organizational agility, further strengthening overall competitiveness. TSC conducted a global inventory of its organizational and workforce structure, and based on the core principles of platformization and global consistency, systematically integrated its global organizational structure, job classification system, and contact information, establishing a standardized and scalable foundation for human resource management. This not only improves cross-regional collaboration efficiency but also strengthens organizational transparency and management effectiveness, supporting global operational deployment and strategic execution. **In total, the number of full-time employees at all locations in Taiwan and China combined was 1,396 in 2025.**

Employee Distribution and Percentage of Total Employees (by Nationality and Work Location)



Note: Foreign nationals are not working at the site

2025 Manpower Structure

Item	Classification		Male		Female		Group Subtotals and Percentages	
			Number of People	Percentage of the Classification	Number of People	Percentage of the Classification	Number of People	Number of People / Percentage of All Employees
Age	Under 30 years old (inclusive)	Taiwan	47	71.2%	19	28.8%	66	4.7%
		Mainland China	50	53.8%	43	46.2%	93	6.7%
		Subtotal	97	61.0%	62	39.0%	159	11.4%
	31 to 49 years old	Taiwan	233	57.0%	176	43.0%	409	29.3%
		Mainland China	178	26.0%	507	74.0%	685	49.1%
		Subtotal	411	37.6%	683	62.4%	1094	78.4%
	50 years old and above (inclusive)	Taiwan	49	61.3%	31	38.8%	80	5.7%
		Mainland China	35	55.6%	28	44.4%	63	4.5%
		Subtotal	84	58.7%	59	41.3%	143	10.2%
Employee Category	Full-time Employees (Permanent Employees)	Subtotal	592	42.4%	804	57.6%	1396	100.0%
Total			592	42.4%	804	57.6%	1396	100.0%

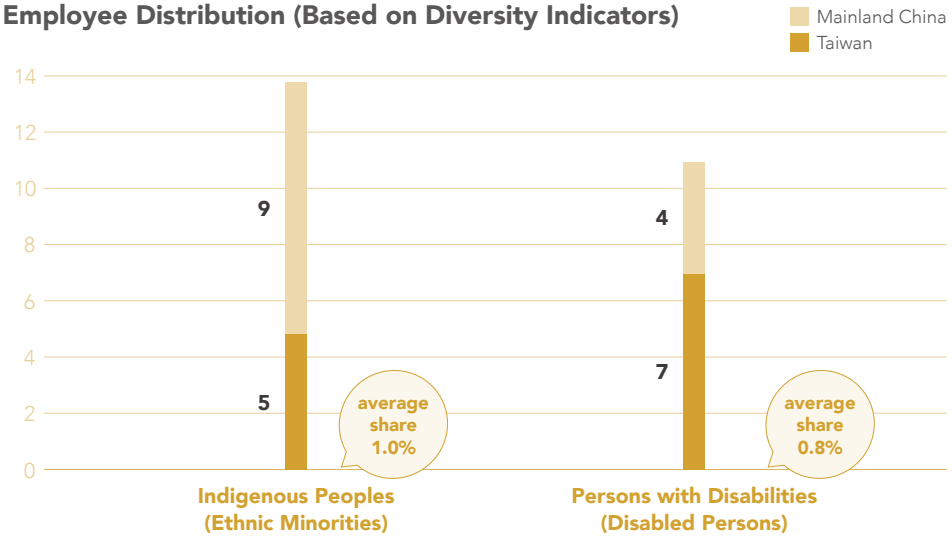
Distribution of Management and Non-Management Levels in 2025 (by Age and Gender)

Unit: Person

Category			Management Level		Non-Management Level	
			Male	Female	Male	Female
Age	Under 30 years old (inclusive)	Taiwan	2	0	45	19
		Mainland China	0	0	50	43
		Subtotal	2	0	95	62
		Percentage	0.8%	0.0%	8.3%	5.4%
	31 to 49 years old	Taiwan	57	28	176	148
		Mainland China	32	67	146	440
		Subtotal	89	95	322	588
		Percentage	36.0%	38.5%	28.0%	51.2%
	50 years old and above (inclusive)	Taiwan	32	11	17	20
		Mainland China	6	12	29	16
		Subtotal	38	23	46	36
		Percentage	15.4%	9.3%	4.0%	3.1%
	Subtotal		129	118	463	686
Total			247		1149	

Note:
1. Management positions include entry-level, mid-level, and senior-level supervisors, with levels ranging from 2 to 6, 7 to 8, and 9 and above.
2. Employee category is determined per the GRI guidelines.
3. The percentage represents the ratio of the number of employees in this category to the total number of employees.
4. The reference date for the calculation of the data is December 31, 2025.
5. There were 30 non-employee on-site workers, primarily consisting of annual security and cleaning personnel in Taiwan and China.

Employee Distribution (Based on Diversity Indicators)



Total: 25 persons, 1.8%

Note 1: The percentage represents the ratio of the number of employees in this category to the total number of employees.

Diverse Recruitment Channels and Talent Management

To continuously enhance talent diversity and strengthen organizational capability structures, TSC actively recruits talent with diverse backgrounds and professional skills through a combination of online and offline recruitment channels. Online recruitment includes establishing company pages and posting job openings on various job platforms; in China, TSC also leverages social media platforms such as WeChat and TikTok to accelerate talent outreach and enhance recruitment effectiveness and visibility. These efforts are complemented by offline activities such as local government-hosted recruitment events, campus recruiting, and employee referral programs, adopting a multi-pronged approach to improve the diversity and timeliness of talent sourcing.

In terms of talent strategy, TSC is guided by organizational development needs, continuing to attract mid- to senior-level and key professional talent both domestically and internationally to improve the fit between talent and roles. Going forward, TSC will optimize its talent deployment and management mechanisms based on regional operational development and strategic goals, prioritizing internal talent promotion and succession planning for key positions, strengthening talent retention and organizational stability, and supporting the Company's long-term operations and sustainable growth.

New Employees

		2023		2024		2025	
		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	100	68%	84	61%	78	49%
	Female	47	32%	54	39%	80	51%
Age	Under 30 years old (inclusive)	53	36%	58	42%	74	47%
	31 to 49 years old	83	56%	70	51%	75	47%
	50 years old and above (inclusive)	11	7%	10	7%	9	6%
Region	Taiwan	119	81%	74	54%	72	46%
	Mainland China	28	19%	64	46%	86	54%
Total		147	100%	138	100%	158	100%

Note:
1. Percentage is calculated by dividing the number of each category of employees by the total number of new employees in that year.
2. In 2025, new employees in Taiwan included 3 temporary workers, with all others being full-time and regular staff.

Employee Turnover

		2023		2024		2025	
		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	113	51%	77	43%	110	49%
	Female	108	49%	104	57%	114	51%
Age	Under 30 years old (inclusive)	66	30%	51	28%	65	29%
	31 to 49 years old	130	59%	102	56%	129	58%
	50 years old and above (inclusive)	25	11%	28	16%	30	13%
Region	Taiwan	97	44%	84	46%	134	60%
	Mainland China	124	56%	97	54%	90	40%
Total		221	100%	181	100%	224	100%

Note:
1. Percentage is calculated by dividing the number of each category of employees by the total number of departing employees in that year.
2. In 2025, departing employees in Taiwan included 3 temporary workers, with all others being full-time and regular staff.

Remuneration Policies

TSC establishes employee compensation and benefits in line with the Labor Standards Act and local labor laws, executed in accordance with the Company's articles of incorporation and internal management regulations, ensuring the overall compensation structure balances legal compliance, market competitiveness, and internal fairness. Through a clear performance evaluation mechanism, TSC continuously optimizes its appraisal system to effectively link individual contributions with compensation allocation, strengthening incentives and retention for high-performing talent. Regarding employee bonus distribution, in Taiwan, bonuses are determined based on the Employee Bonus and Stock Option Scheme, taking into account each employee's job performance, scope of responsibility, and special contributions.

In terms of senior management compensation, TSC has established a Compensation Committee, which annually reviews the performance evaluation criteria, annual and long-term performance goals, and remuneration policies, systems, standards, and structures for directors, supervisors, and managers, and makes recommendations to the Board. The performance evaluation and compensation of directors and managers reference industry-standard compensation levels, taking into account individual performance results, time invested, responsibilities undertaken, achievement of personal goals, performance in other positions, as well as the Company's achievement of short- and long-term business goals and financial condition, evaluating the reasonable relationship between individual performance, the Company's operating performance, and future risks. In addition, the Company incorporates operating performance and sustainable development into its performance management framework; operational goals cover not only financial indicators but also environmental, social, and governance (ESG) aspects, as well as a comprehensive assessment of contributions to the Company's overall sustainable development, which are factored into compensation decisions to strengthen the linkage between the remuneration system and the Company's sustainability goals. In 2025, the Compensation Committee held 3 meetings to ensure the competitiveness and reasonableness of compensation.

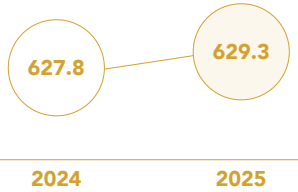
Gender Remuneration Ratio

Basic Salary plus Remuneration - Female : Male		
Year	Management Level	Non-Management Level
Taiwan		
2024	0.27 : 1	0.70 : 1
2025	0.24 : 1	0.73 : 1
Taiwan		
2024	1.4 : 1	0.74 : 1
2025	1.1 : 1	0.83 : 1

Remarks:
1. Minor differences in the gender pay ratio may result from individual performance, seniority, and other factors. TSC's salary standards are consistent for men and women and do not differ by gender.
2. "Management level" refers to section chief, manager, and associate vice-president level supervisors.
3. In 2025, the management level figures for Taiwan were calculated as an overall average, resulting in slight variations compared to the previous year's disclosed data.

Median Salary of Full-time Employees in Non-supervisory Positions (Taiwan)

Unit: NT$ (thousand)



Note: In 2025, the median salary of full-time employees in non-supervisory positions in Taiwan increased by NT$1.5 thousand compared to 2024, an increase of 0.24%.

Median Salary of Full-time Employees in Non-supervisory Positions (Mainland China)

Unit: RMB (thousand)



4.1.2 Human Resource Development GRI 404-1 404-2 404-3

TSC has always regarded talent as the key foundation for corporate sustainability and global competitiveness. In 2025, we centered our efforts on "system integration" and "capability and quality upgrading," building a more consistent and results-oriented talent management system through the optimization of retention and incentive mechanisms, standardized integration of training systems, and comprehensive strengthening of automotive professional courses and management competencies. At the same time, we integrated digital performance management tools to strengthen the linkage between strategy and the capability development cycle, ensuring the Company continues to grow steadily amid a changing environment while addressing employees' development needs at different career stages.

Talent Retention

To build a workplace environment with a high sense of identification, TSC ensures every employee can excel in their professional field through diverse recruitment channels, robust retention mechanisms, and substantive incentive programs, thereby enhancing employee satisfaction and organizational cohesion and reducing the risk of key talent attrition. At the same time, the Company also places importance on employees' development planning at each stage of their career, laying a solid foundation for future long-term development. For employees whose careers end due to retirement or termination of employment, the Company actively supports the development of their financial independence and long-term career planning, encouraging employees to make good use of long-term financial tools such as the voluntary labor pension contribution mechanism and the employee stock ownership trust to build a solid foundation for retirement (see the "Employee Health and Benefits" section for details).

Encouraging Innovation: Inviting Employees to Propose Company Improvements

To strengthen a culture of continuous improvement, the Company encourages employees to proactively propose concrete suggestions for operational efficiency and system optimization, establishing a bottom-up proposal participation mechanism that allows frontline employees to convert practical experience into momentum for company improvement.

Highlight Case

An employee proposed the "Automotive Certification Subsidy Program," encouraging colleagues to proactively strengthen their automotive expertise. After evaluation, the Company formally incorporated it into its system, establishing subsidy regulations and implementing them, while also awarding the proposing employee a project bonus in recognition of their professional expertise and pursuit of excellence. Through institutionalized proposal and reward mechanisms, we effectively promote cross-departmental participation and professional development, shaping an organizational culture of continuous improvement and proactive advancement.

Comprehensive Recognition Mechanism: Retaining Outstanding Talent

- Competency Star: Recognizes and honors employees who demonstrate outstanding performance in the Company's core competencies, reflecting the Company's emphasis on accountability, teamwork, and pursuit of excellence, and guiding employees to continuously strengthen their demonstration of related competencies.
- Fair and Transparent Promotion Pathway: Based on its existing appraisal system, the Company evaluates employees' work contributions, development potential, and core competency demonstration through annual performance reviews as the basis for promotion and level advancement, ensuring fairness and transparency in the system.
- Long-Service Bonus Program: To express gratitude to long-standing colleagues, the Company grants a "Long-Service Bonus" to employees who have completed a specified number of years of service. This is not only a recognition of tenure, but also our most direct and heartfelt tribute to our "long-term comrades," significantly strengthening employees' sense of belonging and stability.

Talent Development and Cultivation

Centered on strategic goals and operational needs, TSC plans its annual talent development program, continuously building a standardized, systematic, and efficient learning organization, focusing on strengthening core competencies, professional skills, and leadership, and through an institutionalized training system, enhancing employees' employability to support their long-term career development. The Company has established a comprehensive employee training and development program, designing corresponding courses based on different job categories, levels, and competency needs, and continuously tracking and optimizing training outcomes through annual training planning, execution, and effectiveness review mechanisms, to ensure employees' career capabilities continue to improve (ESG Rating S-21).

2025 Core Training Focus

- **Integration of Site-Level Training Regulations:** To ensure optimal quality and resource allocation for education and training, site-level training regulations were consolidated and training processes standardized. Through standardized course material design, the quality and consistency of employee skills training were ensured, substantially improving overall management effectiveness.
- **Revamp of Automotive Training Courses for Direct Labor:** To meet the high quality standards required for automotive products, we launched a comprehensive revamp of automotive training courses for frontline direct labor (DL), covering technical operations, quality management, regulatory compliance, and safety standards. The courses integrate the IATF 16949 quality management system, reinforcing Zero Defect concepts and hands-on practice; post-training practical application converts learning outcomes into job performance, ensuring that professional skills and quality awareness in the production process seamlessly align with international automaker standards and concretely enhance employees' professional capabilities.

2025 Average Training

		Taiwan	Mainland China
Gender	Male	9,471	18,801.5
	Female	4,658.5	41,558.5
Position Level	Management Level	3,541	9,035
	Non-Management Level	10,588.5	51,325
Total NumberNote		555	841
Total Training Hours		14,129.5	60,360
Average Training Hours		25.5	71.8
Total Average Training Hours (Total Training Hours) / (Total Number of People)		53.4 (74,489.5/1,396)	

Total Average Training Hours

53.4 hrs



Enhancing Employee Management Competencies

anagers' leadership and management capabilities are a key factor influencing talent retention and sustainable corporate development. In 2025, TSC continued to develop mid- to senior-level managers and high-potential talent through its annual leadership competency training courses, strengthening their strategic vision, team integration, and decision-making abilities, and enhancing overall management effectiveness and organizational operating quality. The course design combines a systematic framework with practical case exercises, guiding managers to optimize their thinking patterns and management methods, refine problem decomposition and decision-making quality, and strengthen team leadership and cross-departmental collaboration capabilities. Through this ongoing development mechanism, we aim to help managers apply their learning outcomes to everyday management situations, further improving operational effectiveness, supporting the Company's steady development amid a changing environment, and strengthening their ability to guide subordinates' career development.



The courses emphasize interaction and hands-on practice; mid- to senior-level managers engaged in group discussions under instructor guidance and took commemorative photos with the instructors, reflecting the practical application of strategic thinking and teamwork throughout the learning process.

Performance Management and Development

In 2025, TSC completed the implementation and launch of a performance management system that integrates competency assessment, annual goal setting, and individual development feedback, breaking free from the limitations of paper-based and non-systematic management to achieve transparent and real-time evaluation. The system's annual goal-setting function is expected to launch in the first half of 2026, ensuring that every manager's and employee's annual goals are highly aligned with corporate strategy, departmental goals, and individual development plans, closely integrating performance management with talent development and realizing the development philosophy of "advancing capability enhancement, career growth, and company performance in tandem."

2025 Performance and Career Development Evaluation Coverage

	Taiwan		Mainland China	
	Male	Female	Male	Female
Management Level	91	39	38	79
Non-Management Level	238	187	225	499
Total	329	226	263	578
Review Percentage	100%	100%	100%	100%

2025: A New Milestone in Digital Transformation Toward Globally Consistent Performance Management

In 2025, TSC focused on the comprehensive implementation of its "Performance Management System" as an important foundation for upgrading the Company's management systems and achieving globally consistent governance.

This system implementation was not merely about digitizing existing processes and improving administrative efficiency and query convenience, but a structural management transformation. Through the construction of a digital platform, we will progressively establish a consistent performance management framework across all global sites, laying a solid foundation for future cross-regional management integration.

Following the system implementation and related organizational adjustments, corporate strategy, departmental development direction, and individual annual goals are now closely linked through a single platform. Overall goal deployment has become more logical and consistent, and employees can now clearly understand the connection between their own work and the Company's long-term development goals, giving their day-to-day efforts clearer direction and meaning.

At the same time, we have established a more transparent and standardized performance evaluation mechanism, making performance outcomes an important basis for compensation, promotion, and level advancement, strengthening the fairness of the system and the foundation of management trust.

Starting in 2026, performance management will be fully integrated with the digital platform, formally implementing systematic governance in Taiwan, with plans to progressively extend it to all global sites, realizing the management vision of "connecting global teams with consistent standards."

Implementation Journey: From Unfamiliarity to Acceptance

To ensure the smooth rollout of the system and lower the learning barrier, multiple briefing sessions were held in 2025 to help managers and employees understand the system's design philosophy and practical operation.

In the early stages of implementation, some managers and employees raised questions about the system's operating procedures, subsequent scoring mechanisms, and practical application scenarios. These concerns primarily stemmed from a natural reaction to unfamiliarity with the new system upon first encountering the digital performance platform.

Through on-site operational demonstrations and Q&A sessions, we explained that the system is not simply a digitization of existing processes, but an important tool for restructuring goal deployment and optimizing management mechanisms.

As managers used the system to clearly assign tasks at the individual level, forming clear links between corporate strategy, departmental priorities, and individual goals, awareness of the system's value increased significantly and gradually transformed into affirmation and anticipation.

Design Highlights: Dual-Track Horizontal Integration and Vertical Alignment

1. Shared KPI: Strengthening Cross-Departmental Collaboration

Prior to annual goal setting, we hold cross-departmental alignment meetings among managers to jointly identify the Company's key development priorities and critical projects for the coming year.

For important tasks requiring cross-unit collaboration, a Shared KPI mechanism is adopted, embedding the same project goal simultaneously into the performance targets of relevant department managers, ensuring clear accountability and aligned direction.

This mechanism helps break down departmental silo thinking, strengthening cross-departmental integration and resource collaboration, so that key projects no longer belong to a single unit alone but become shared corporate goals jointly owned across units.

2. Vertical Goal Deployment

After completing the cross-departmental Shared KPI integration, department managers further deploy related tasks to the individual level based on project needs and annual priorities, forming a clear vertical goal alignment framework.

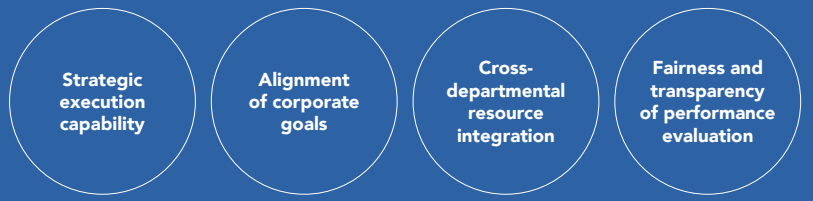
Through a systematic assignment and tracking mechanism, a complete chain is formed from "corporate strategy → cross-departmental projects → departmental goals → individual tasks," enabling every employee to clearly understand the critical connection between their role and the organization's overall goals.

This dual-track mechanism, extending from horizontal integration to vertical deployment, makes performance management a true core tool for strategy execution, rather than merely an annual appraisal procedure.

Key Significance of the Management Upgrade

Through the 2025 system implementation and organizational adjustments, TSC's performance management has transformed from traditional administrative work into a data-driven, transparent, and strategically connected management mechanism. Performance management is no longer merely an annual appraisal process, but has become an important governance tool linking corporate strategy, departmental goals, and individual development.

This upgrade not only improved management efficiency, but further strengthened:



Through the establishment of standardized systems and a digital platform, the Company is able to make interconnected, data-based decisions, making management more consistent and traceable, while establishing clear and well-defined performance system integration and evaluation criteria, enhancing overall governance quality and organizational trust.

This system upgrade marks a key leap forward in TSC's management maturity, and lays a replicable and scalable management foundation for its global operational structure.

Future Vision

Following the completion of the full deployment of the performance management system in Taiwan in 2025, TSC plans to implement digital performance governance starting in 2026, upgrading its management scope from practical operations to systematic management, and progressively extending it to global sites. Through the dual-track advancement of system integration and talent development, we will further enhance the Company's management resilience and execution capability, laying a more robust and forward-looking foundation for the Company's long-term competitive advantage and sustainable development.

4.1.3 Employee Health and Benefits

TSC remains committed to its employees' physical and mental well-being, building a caring and supportive workplace through comprehensive benefit programs and a friendly work environment. Through various health promotion activities and care mechanisms, TSC helps employees maintain good physical and mental well-being. TSC also operates its pension system in compliance with applicable regulations to safeguard employees' long-term careers and retirement, while offering motivating incentive programs and diverse benefits to enhance employee motivation and satisfaction. Going forward, the Company will continue to optimize employee care and benefit measures, creating a healthy, stable, and attractive work environment that fosters mutual growth between employees and the Company toward sustainable development.

Employee Well-being

Employee Group Insurance	TSC continues to enhance its employee group insurance and protection system, striving to provide comprehensive health and life support for employees across its operating sites in Taiwan and Mainland China. In Taiwan, the Company provides diverse coverage including term life insurance, accident insurance, medical insurance, and cancer insurance, and allows employees' dependents to enroll at their own expense to enhance overall family protection. In Mainland China, the Company provides social insurance and the housing provident fund for employees in accordance with local regulations, covering basic protections such as medical care, retirement, and unemployment, and helps improve employees' quality of life through housing support mechanisms. By continuously optimizing its protection systems, TSC strengthens support for employees' health, life, and career at every stage, allowing employees to focus on their work without worry, thereby enhancing organizational stability and employee loyalty, and putting its people-oriented philosophy of sustainable operation into practice.
Employee Stock Ownership Trust	To encourage employees to participate in the Company's long-term development and share in its operating results, TSC Taiwan implements an employee stock ownership trust in accordance with the shareholding association's charter and related agreements, continuing to provide employees with a 30% incentive subsidy on their actual contributed amount. In 2025, TSC continued to welcome employees to join the Employee Stock Ownership Trust program, using the incentive mechanism to enable employees and the Company to share operating results and grow together toward sustainable development.
Childcare Policy	TSC continues to promote a family-friendly workplace, helping employees balance career development and family care, and putting the core philosophy of "caring for employees" into practice. In Taiwan, the Company provides unpaid parental leave, maternity leave, prenatal checkup leave, and paternity leave in accordance with the Gender Equality Act and the Regulations on Parental Leave Without Pay, and supports employees in applying for parental leave or flexible work arrangements as needed to balance family and work responsibilities. In addition to statutory programs, the Company continues to provide diverse benefits such as childbirth subsidies, childcare allowances, and educational incentives, strengthening support for employees at every stage of childrearing and easing the burden of family care. In Mainland China, the Company provides maternity leave, childcare leave, breastfeeding leave, and nursing leave in accordance with local regulations, ensuring employees receive comprehensive protection during childbirth and childrearing. By continuously optimizing parental-related systems and benefits, TSC builds a more supportive workplace, strengthening the foundation for employees to work with peace of mind, thereby enhancing organizational stability and talent retention toward sustainable development.

2023–2025 Retention Rate

100%

Parental Leave - Parental Leave Status of Employees in Taiwan

	2023			2024			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply for Parental Leave in the Year (A)	16	19	35	19	12	31	18	12	30
Actual Number of Employees who Applied for Parental Leave in the Year (B)	2	4	6	0	2	2	2	2	4
Application Rate (B/A)	13%	21%	17%	0%	17%	6%	11%	17%	13%
Number of Employees who have Taken Parental Leave and are Eligible for Reinstatement in the Year (C)	0	3	3	6	5	11	1	1	2
Actual Number of Employees who Applied for Reinstatement in the Year (D)	0	3	3	0	1	1	1	1	2
Reinstatement Rate (D/C)	0%	100%	100%	0%	20%	9%	100%	100%	100%
Number of Employees Reinstated in the Previous Year (E)	3	6	9	1	5	6	1	1	2
Number of Employees Remaining One Year After Reinstatement in the Previous Year (F)	3	6	9	1	5	6	1	1	2
Retention Rate (F/E)	100%	100%	100%	100%	100%	100%	100%	100%	100 %

Retirement Plan

TSC has established a comprehensive employee pension system, committed to safeguarding employees' financial security and quality of life after retirement. In Taiwan, retirement regulations are established in accordance with the Labor Standards Act, and a defined contribution plan is implemented in accordance with the Labor Pension Act, with a Labor Pension Reserve Fund Supervisory Committee established to ensure the soundness and transparency of the system's operation.

Since July 1, 2005, the Company has contributed 6% of employees' monthly salaries to individual pension accounts as required by law; employees who wish to make voluntary contributions may do so according to their own preference, with the Company withholding and remitting the amounts to their individual accounts at the Bureau of Labor Insurance. Employees may choose to be covered under either the new or old pension scheme in accordance with regulations, and years of service prior to the implementation of the new scheme are preserved. In 2025, the Company contributed NT$21,699 thousand in pension expenses, all of which were remitted to the Bureau of Labor Insurance in accordance with the law.

In addition, the retirement reserve fund contributed under the Labor Standards Act is calculated based on employees' years of service and their average salary over the six months prior to retirement, and is contributed to the Bank of Taiwan Labor Pension Reserve Account following periodic actuarial calculations by professional actuaries. As of the end of 2025, the balance of this account was

NT$47,310 thousand, serving as an important safeguard for employee retirement benefits. The related pension fund is centrally managed by the Bureau of Labor Funds under the Ministry of Labor and invested in accordance with the Regulations for the Utilization of Labor Retirement Funds, with annual return distributions no lower than the local bank's two-year time deposit rate, ensuring the steady accumulation of employees' retirement assets.

Incentive System and Employee Benefits

Positive Corporate Culture

TSC continues to optimize its incentive system and employee benefit measures, committed to fostering a positive and cohesive corporate culture, and enhancing employees' sense of belonging and work motivation through diverse recognition and care mechanisms. The Company recognizes long-serving and exemplary employees to affirm their long-term dedication and outstanding performance, passing on a spirit of professionalism through public recognition mechanisms and motivating the team to continuously improve.

Welfare Bonus

In terms of benefits, TSC provides diverse subsidies and incentives through the Employee Welfare Committee, including festival bonuses, allowances for weddings and funerals, childbirth gifts, and children's educational scholarships, ensuring employees receive support and care at different stages of life, strengthening their sense of identification with the Company.

70 Affiliated Stores

The Company continues to expand employee life support measures, partnering with nearly 70 affiliated stores to offer diverse discount resources, enhancing employees' quality of life. Through a comprehensive incentive and benefits system, TSC continues to build an attractive work environment, fostering mutual growth between employees and the Company toward sustainable development.

2025 Incentive System and Benefit Expenditure in the Taiwan Area

	Item	Frequency	Highlights
Festivals	The Three Major Holiday Bonuses (including Mid-Autumn Festival, Dragon Boat Festival, and Labor Day)	Annually	Through the three major holiday bonus program, the Company continues to strengthen employee care and incentive mechanisms, boosting employee motivation and thereby enhancing overall performance.
	Subsidies for Marriage, Funerals, and Festivals (including childbirth gifts, wedding gifts, bereavement condolences, etc.)	Based on Approved Applications	The Company has established an Employee Welfare Committee that continuously plans a diverse range of welfare programs and employee activities to strengthen employee care and support. In 2025, the Welfare Committee's fund was mainly used for childbirth gifts, wedding gifts, birthday gifts, illness/injury condolences, and bereavement condolences, providing appropriate assistance at different stages of employees' lives and demonstrating the Company's emphasis on employee well-being.
	Other (Birthdays)	Once a year	
Employee-related	Childbirth - Childcare Subsidy	Based on Approved Applications	To support employees in giving birth with peace of mind while balancing family care needs, TSC continues to promote various childbirth- and childcare-related benefit programs, putting the philosophy of "caring for employees" into practice. **In 2025, childcare subsidies were provided to 61 recipients and educational incentives to 127 recipients, with total subsidies for the year amounting to nearly NT$330 thousand**, helping employees balance career development and family life through tangible benefits. TSC builds a family-friendly workplace, allowing employees to focus on their work without worry, thereby enhancing employee loyalty and achieving a win-win outcome for both employees and their families.
	Childbirth - Educational Incentive		
	Social Gatherings	Multiple times per year, as planned by the Welfare Committee	In 2025, the Company continued to pay attention to the needs of employees across all regions, responding to diverse employee expectations through social gatherings and gift vouchers, further enhancing employees' quality of life and overall satisfaction.
	Senior Employees	Multiple times per year, per annual plan	The Company publicly recognizes senior employees at the year-end banquet, presenting certificates and bonuses in recognition of their long-term service and contributions to the Company. Exemplary employees are nominated by their respective units and, after selection by senior management, are recognized with certificates and bonuses, with their achievements publicly announced to establish role models, inspire mutual learning, and encourage continuous improvement, fostering a positive and cohesive corporate culture.
	Exemplary Employees		
	Health Checkups	Annually at headquarters, biennially at plant sites	TSC partners with professional medical teams to establish an employee health checkup system that exceeds regulatory standards; in addition to regular health checkups, special health checkups are arranged based on job characteristics to enhance health management for high-risk groups. In 2025, a total of 203 employees underwent health checkups, with ongoing follow-up on abnormalities and health promotion measures, putting the concept of preventive medicine into practice.
	Christmas Gift Distribution	Method and frequency determined by festival activity planning	To thank employees for their hard work and dedication, the Company distributed warm small gifts during Christmas in 2025, conveying holiday wishes and creating a warm and joyful workplace atmosphere.
	Year-end Banquet	Format determined by annual planning	In 2025, year-end banquets were held at the sites, offering employees opportunities to relax and interact through meals, performances, and interactive games, fostering a positive and lively workplace atmosphere and strengthening team cohesion.

Employee Benefits and Care at Overseas Sites

To foster a friendly and supportive workplace, TSC's overseas sites continue to promote diverse employee benefits and care measures, enhancing employee job satisfaction and sense of belonging through festival care, health support, and team activities. At the same time, the Company also values employees' work-life balance, promoting cross-departmental communication and team cohesion through comprehensive benefit systems and social activities, building a healthy and cohesive workplace culture.

Festival Care and Benefit Programs

Cash gifts or gift cards are distributed during important festivals such as the Dragon Boat Festival and Mid-Autumn Festival, and leave for weddings and funerals is provided, allowing employees to receive the Company's support and care at important moments in life.

Health and Work Support Measures

Health equipment such as blood pressure monitors is provided to help employees monitor their own health; maternity leave, childcare leave, and nursing leave are also provided in accordance with local regulations, supporting employees in balancing family and career development.

Employee Interaction and Team Cohesion

Employee trips, annual meetings, and year-end banquets provide a relaxed platform for employees to interact, promoting collaboration among colleagues from different departments and regions, and enhancing employee loyalty through annual recognition and team activities.

Friendly Workplace Environment

Break rooms and rest areas are set up to allow employees to relax and recharge during work, easing workplace stress and improving work efficiency.



I-lan Site Employee Welfare Trip


Li-Je Site Employee Welfare Trip

Senior Employees, Exemplary Employees

The Company annually recognizes senior and exemplary employees publicly, affirming their long-term dedication and outstanding performance, and thanking them for their contributions to the Company's development. This passes on a spirit of professionalism and a positive corporate culture, inspiring employees to continuously improve and grow together with the Company.


Senior Employee - In-house Award Ceremony at I-lan Site

The Welfare Committee carefully plans trips for shared interaction and enjoyment



Li-Je Site Employee Welfare Trip



I-lan County Government Exemplary Worker Award Ceremony


Hong Kong Office Trip


Shanghai - Trip



I-lan County Government Exemplary Worker Award Ceremony


Exemplary Employee - In-house Award Ceremony at I-lan Site

Year-end Banquet and Annual Meeting Activities



Tianjin Site Year-end Banquet



Taiwan Year-end Banquet



Taiwan Year-end Banquet


Shanghai Office Year-end Banquet

Warm Christmas Gift-Giving in Taiwan




Carrefour On-site Event at Li-Je Site

Food Truck or Vendor On-site Events


Carrefour On-site Event at Li-Je Site


Carrefour On-site Event at Li-Je Site


In-house Food Truck Event at I-lan Site



Carrefour at I-lan Site

Employees Jointly Respond to Public Welfare, Spreading Warmth



TSC's I-lan Site Donates Hundreds of Uniforms to Support Charitable Organization, Responding to Resource Recycling

In support of ocean conservation and resource recycling, Taiwan Semiconductor Co., Ltd.'s I-lan Site donated 200 decommissioned employee uniforms to the charitable organization "Beach Relay" on April 30, 2025, and received a certificate of appreciation from the organizer in recognition of this concrete action in fulfilling corporate social responsibility.


Race for the Beach
海邊的接力賽

感 謝 狀

茲感謝 台灣半導體股份有限公司
捐贈汰換員工制服 200 件，為永生花
回潮展提供永續資材循環再利用，至
深感謝。
特致此狀，以申謝忱。

發起人 江昀蓓

中華民國 114 年 4 月 30 日

"Beach Relay" is a local beach cleanup initiative launched in 2022 by environmental activist Wendy ("Crazy Mama"), based on the philosophy of "giving children a beach they can walk barefoot on with peace of mind," and continues to regularly patrol and clean up along I-lan's 106-kilometer coastline. To date, the initiative has removed over 30 metric tons of marine debris, and further combines art and education promotion to transform marine waste into creative "ocean-waste art," giving new meaning to discarded materials beyond simple trash.

The decommissioned uniforms donated by TSC's I-lan Site will be used entirely in "Beach Relay's" upcoming "Tide Return Exhibition," handcrafted into installation art and upcycled preserved flowers, giving old uniforms new meaning. This not only helps the local organization advance resource circulation and artistic creation, but also reflects TSC's hope to respond to community welfare through this opportunity.



Charitable Invoice and Donation Contributions

To fulfill its corporate social responsibility and give back to society, TSC continues to participate in charitable activities, encouraging employees to put care into practice in their daily actions. In 2025, employees continued to respond to the charity invoice and donation campaign, donating 281 collected invoices and monetary contributions to the Genesis Social Welfare Foundation to support care and nursing services for patients in a vegetative state, contributing to disadvantaged social groups and demonstrating the Company's commitment to social care.



Blood Donation Activities

Through blood donation activities, employees are called upon to give back to society with concrete action, contributing to the demand for medical blood supplies. Through employees' enthusiastic response, care is translated into concrete action.

Promotion of Physical and Mental Health and Work-life Balance

Health Promotion Resources and Activities

TSC continues to promote employee health, integrating various health resources and planning diverse health activities covering health checkups, health education, and exercise initiatives, helping employees establish healthy lifestyles and creating a friendly, safe, and supportive workplace.

2025 Workplace Health

Promotion Results Health Services

In 2025, the Company continued to promote diverse health promotion activities, covering musculoskeletal care, mental health support, and healthy lifestyle management. Through related courses and experiential activities, employees' awareness of preventing physical discomfort and self-care was enhanced, strengthening daily health maintenance capabilities to reduce common workplace health risks.

In terms of mental health promotion, the Company planned diverse stress-relief and healing activities to help employees relieve stress and stabilize emotions, thereby improving concentration and work performance; at the same time, healthy eating and weight management-related promotion and courses guided employees to establish correct dietary concepts and cultivate good habits.

By continuously providing diverse health services tailored to employee needs, the Company is committed to creating a supportive and friendly workplace, promoting employees' physical and mental health and overall well-being.

An annual health seminar was held with a **total of 128 participants**, covering diverse themes as follows:

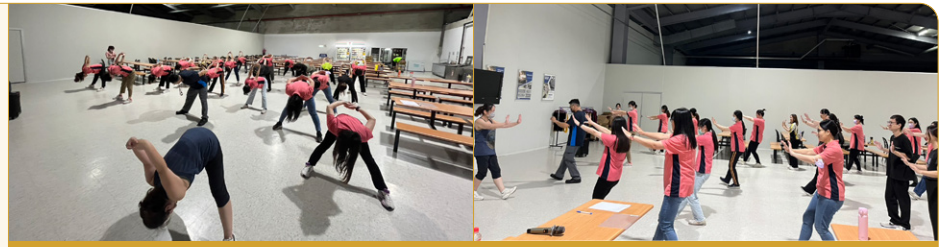
① **Say Goodbye to Aches and Pains: Self-Care for the Neck, Shoulders, and Wrists**

② **Workplace Exercise: Aerobic Exercise × Enhancing Cardiopulmonary Function**

③ **Mindful Zentangle Drawing**

④ **Eating-Out Tips and Weight Control and Management**

⑤ **Healing Floral Diffuser Stones**



Workplace Exercise: Aerobic Exercise × Enhancing Cardiopulmonary Function



Mindful Zentangle Drawing



Healing Floral Diffuser Stones

Promotion of Physical and Mental Health and Work-life Balance

Health Promotion Activities - 1

Since 2023, TSC Taiwan has established the "Excellence Sports Bonus" program to encourage employees to develop regular exercise habits and support active participation in external sports events, promoting physical and mental health and an active culture.

In 2025, a total of 51 employees actively participated in various sports events, demonstrating high engagement and team energy, and achieving notable results, **including a cumulative 275 kilometers of running and walking and 238.9 kilometers of cycling,** reflecting the concrete effects of sustained exercise.

Running and Walking
275km

Cycling
238.9km

In addition, employees also actively participated in various competitive and challenging activities, including participating in a tennis invitational tournament, the shuttlecock kicking event at the I-lan County Games, and completing the ascent of Yushan (Mount Jade), fully demonstrating diverse sports participation and a spirit of self-challenge.

TSC encourages employees to participate in sports through diverse means, not only fostering camaraderie and teamwork among colleagues but also helping maintain good physical and mental health, thereby enhancing overall work efficiency and organizational cohesion.



Our employees actively participate in a variety of sports activities

Health Promotion Activities - 2

Continuing the momentum from 2022, fat loss has become an important measure for reducing the risk of metabolic syndrome and safeguarding employee health. Under the theme "Burn Fat, Live Well," TSC used a competition mechanism to spark employees' motivation to participate in health promotion activities.

Centered on individual health management, the activity encouraged employees to develop regular exercise habits and actively adjust their diet and lifestyle to work toward fat-loss goals. The activity launched at the end of September, with a total of **75 employees** actively participating, demonstrating high engagement and health awareness.

Over the two-month activity period, overall results were impressive, with employees collectively losing **132.2 kilograms** and an **86%** proportion of participants reducing body fat; individual results were also notable, with the highest fat-loss achievement reaching **8.9%**. After the activity concluded, outstanding participants were invited to share their fat-loss experiences and practical approaches, promoting the exchange and dissemination of health knowledge.

In addition, the Company continues to guide employees in establishing long-term healthy behaviors, gradually achieving muscle-gain and fat-loss goals through self-directed health management, further enhancing physical and mental health and quality of life.



2025 Fat-Loss Challenge Champion: Before-and-After Results

Body Fat Reduction Percentage
86%

Total Weight Loss
132.2kg

Strengthening Health Awareness and Enhancing Safety Concepts to Co-Create a Secure Workplace

In 2025, TSC continued to strengthen employees' risk identification abilities and self-health management awareness through diverse promotional themes closely related to daily life, integrating health and safety concepts into everyday work and living scenarios, putting the philosophy of "prevention is better than cure" into practice, and gradually building a safe, healthy, and resilient workplace.

Health and Safety Knowledge Promotion

In Taiwan, diverse health topics are promoted each quarter to strengthen employees' awareness of various health issues, with professional occupational medical staff arranged to provide consultations on related health topics, helping employees establish correct health concepts and improve self-health management capabilities.

Health Topics	Safety and Disaster Prevention Protection	Disease Prevention and Health Management	Everyday Life Reminders
Purpose of Promotion	Strengthening workplace and life safety awareness, from traffic safety to home disaster prevention, comprehensively improving employees' risk identification abilities	Shifting from "passive treatment" to "proactive prevention," encouraging employees to build self-health management capabilities through screening and proper diet	Combining festivals and the local environment to provide timely and relevant health and safety reminders
Promotion Topics	• Earthquake Safety Promotion • Prevention of Electrical Fire Damage • Fall Accident Prevention • Drive Safely, Protect Every Day • Gas Safety, Preventing Hidden Risks • Don't Look Down at Your Phone While Walking, Avoid Distraction-Related Injuries	• Protect Your Liver, Walk Together in Health • Fearless Health Starts with Screening • Eat Right Every Bite! "My Healthy Plate" Makes Health Easy! • Notification of Publicly Funded Flu Vaccination for Employees in 11 High-Risk Categories	• Reminder of Road Construction Near the Plant • Delicious Without Allergies, a Healthy Dragon Boat Festival • Walk Together in Health, a Safe Lunar New Year, Health Reminders for Chinese New Year Travel Abroad

Sleep Health Monitoring and Disease Prevention Management

In consideration of the employee age structure and the impact of sleep health on overall physical and mental condition, the Shandong Site in China launched sleep health monitoring and health risk management measures in 2025. Through health promotion, employee awareness of sleep quality and self-health management was raised, and a convenient at-home respiratory sleep health screening service was provided to help employees understand their own sleep condition.

Screening results are compiled with the assistance of professional staff, who provide explanations of the results; for abnormal findings, further health recommendations and medical referral guidance are provided. To date, sleep health monitoring has been conducted for over 150 employees, and the initiative remains ongoing. The screening identified 7 employees at risk of sleep apnea, all of whom received immediate early-warning care and health guidance, and were assisted in seeking further medical examination and treatment.

Through sleep health monitoring and follow-up care, TSC implements early detection and intervention of health risks, helping employees improve sleep quality and health management awareness, and continuing to build a healthy, safe, and supportive workplace.



Professional Staff Explaining Sleep Health Screening Results to Employees

4.1.4 Labor Relations and Human Rights Management

GRI 2-23 2-24 2-30 406-1 407-1 408-1 409-1

Management and Promotion of Human Rights Policy

1. Establishing a Human Rights Management System and Risk Identification

TSC places great importance on labor human rights and commits that its operating activities strictly comply with international standards such as the UN Guiding Principles on Business and Human Rights (UNGP), International Labour Organization (ILO) standards, and the Responsible Business Alliance (RBA) Code of Conduct. The Chairman has approved and issued the RBA Social Responsibility Management Manual, establishing a top-down management system.

Human Rights Policy Management System and Governance Structure

TSC regards human rights management as central to sustainable operations, establishing a "top-down" management system overseen by the Board of Directors, led by senior management, and implemented by executing units, ensuring that human rights commitments are carried through every aspect of operations.

Management Level	Responsible Unit	Core Responsibilities
Decision-Making and Oversight Level	**Chairman / Board of Directors**	Approve the Human Rights Policy and the RBA Social Responsibility Manual, and oversee overall human rights performance and risk management goals.
Coordinating Management Level	**ESG Committee**	Composed of senior management, responsible for cross-departmental resource integration, reviewing annual human rights due diligence results, and approving remediation measures for material risks.
Execution Level	**Human Rights Management Team (HR/ESG)**	Responsible for day-to-day risk identification, promoting employee training, handling complaint cases, and regularly reporting improvement progress to the ESG Committee.

Human Rights Due Diligence and Early Warning

TSC has established a "Human Rights Due Diligence Process" to regularly assess potential human rights impacts across its operations and supply chain, applying early-warning principles to ensure open communication channels.

Risk Identification: Potentially affected groups are identified through the RBA Self-Assessment Questionnaire (SAQ), with priority given to vulnerable groups such as women and persons with disabilities.

Performance Evaluation: Combines third-party RBA audits with internal employee opinion surveys to verify management effectiveness.

Distribution of Management Responsibilities

The ESG team is responsible for conducting human rights risk identification; if risks are found, the team formulates and implements remediation measures. Execution results are regularly reported to the ESG Committee (senior management level) and the Chairman, ensuring accountability.

Core Commitments and Compliance

Dignified Labor and Equality & Diversity

Strictly prohibit child labor and forced labor, implementing the principle of non-discrimination.

Reasonable Working Hours and Compensation

Safeguard statutory benefits and equal pay for equal work.

Freedom of Association and Collective Bargaining

TSC highly respects employees' freedom of association. Currently, all employees' rights are fully protected through individually signed "labor contracts" with the Company, and labor-management meetings serve as the best communication bridge between both parties.

Human Rights Risk Identification and Due Diligence

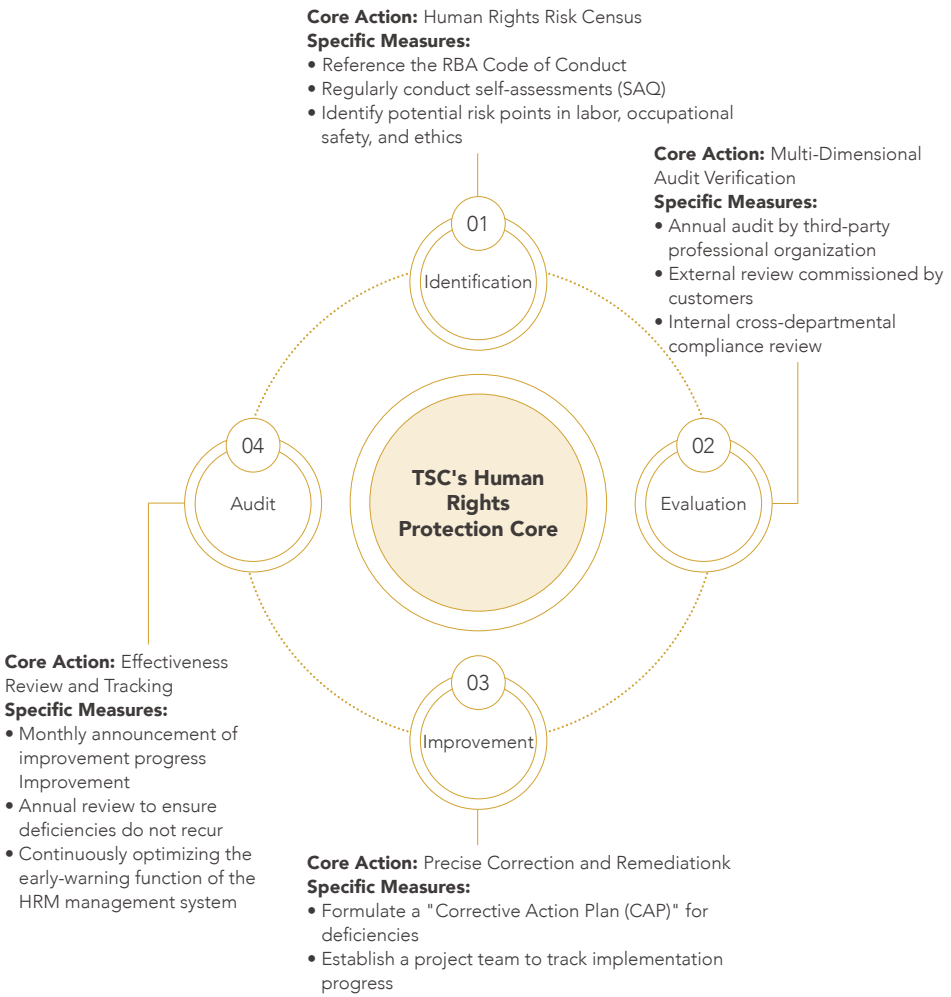
TSC has established a proactive risk identification mechanism. In addition to requiring suppliers to sign the RBA Vendor Code of Conduct, TSC employs multiple methods to identify risks of child labor, forced labor, or violations of freedom of association:

- **Geographical and Industry-Based Screening:** Conduct preliminary screening based on the regulatory environment of suppliers' locations and procurement categories, prioritizing suppliers in high-risk regions or suppliers with labor-intensive processes for audits.
- **Risk Assessment Tools:** Conduct the RBA Self-Assessment Questionnaire (SAQ) annually to quantitatively assess labor conditions at each operating site.
- **On-site Audit and Verification:** or potential risk subjects, TSC's ESG team conducts on-site audits or engages third-party organizations to conduct Validated Assessment Program (VAP) assessments. Frontline employees are interviewed to determine whether identity documents are withheld, freedom of movement is restricted, or improper labor practices occur.

Based on the 2025 assessments, all of TSC's operating sites and key Tier 1 suppliers were classified as low-risk in terms of human rights.

Third-Party Verification

TSC has continuously passed RBA third-party audits since 2023, ensuring human rights management aligns with international best practices.



2. Deepening Company-wide Sustainability Awareness and Consensus

To ensure ESG policies are deeply embedded in the corporate culture, TSC actively promotes internal communication and competency development, translating commitments into daily actions:

Comprehensive Training and Participation Rate

In 2025, through diverse communication channels, **TSC achieved a 100% course execution rate and 100% employee participation rate**. The statistics are based on the 2025 "ESG Annual Education and Training Plan" (covering human rights, environment, occupational safety, etc.), calculating the completion rate of employees required to be trained, to ensure sustainability policies are translated into daily actions. ◦

3. Deepening Supply Chain Human Rights Management and Oversight Mechanisms

TSC recognizes that the supply chain is an indispensable component of human rights protection. We do not merely require suppliers to make "commitments"; we have also established a dynamic oversight system of "risk identification – tiered management – on-site verification."

Vendor Code of Conduct and Compliance Requirements

100% Signed	All Tier 1 suppliers are required to sign the RBA Vendor Code of Conduct commitment letter, incorporating clauses prohibiting child labor, forced labor, and ensuring freedom of association and non-discrimination into procurement contracts. The Company not only requires suppliers to sign commitment letters, but also proactively identifies risks of child labor, forced labor, or violations of freedom of association across its operations and supply chain through the RBA Self-Assessment Questionnaire (SAQ), annual on-site supplier audits, and employee interviews. Current identification results show that major sites and Tier 1 suppliers are all classified as low risk.
Regulatory Advocacy	An annual "Supplier Conference" is held to reiterate TSC's human rights policy, ensuring partners' sustainability values remain aligned with the Company's.

Tiered Management and Risk Identification Methods

TSC assesses suppliers based on the following dimensions and classifies the results into three tiers: high, medium, and low:

Geographic Risk	Reference international human rights organization reports to strengthen monitoring in regions with lower regulatory transparency.
Industry Characteristics	Suppliers with labor-intensive processes or those requiring extensive use of temporary workers or migrant workers are classified as "potential risk subjects."
Performance Evaluation	Key suppliers are required to submit the RBA Self-Assessment Questionnaire (SAQ) annually, used to identify risk indicators such as forced labor, illegal employment of minors, or restrictions on association.

On-site Verification and Remediation Mechanism

Third-Party VAP Audit

For suppliers assessed as medium or high risk, the Company requires them to undergo RBA third-party Validated Assessment Program (VAP) audits, or conducts on-site inventory checks through TSC's Procurement and ESG teams.

Time-Bound Correction of Deficiencies

If violations of human rights principles are found (such as excessive working hours or environmental safety deficiencies), suppliers must submit a Corrective Action Plan (CAP) and complete improvements within 30 days, or face downgraded evaluation ratings or termination of the partnership.

2025 Performance

Based on assessment, all of the Company's key suppliers have completed the SAQ evaluation, and no material risks involving child labor, forced labor, or violations of freedom of association have been identified to date.

TSC's Human Rights Management Measures and Performance

Key Focus Area	Core Action Plan	2025 Implementation Performance
Eliminating Child Labor and Protecting Minors	1. Establish the Regulations on the Protection of Child and Youth Labor. 2. Implement a dual identity verification procedure during recruitment.	• **100% Compliance:** No child labor or illegal employment of minors at any site in 2025. • **Preventive Mechanism:** Continuously implement rigorous verification procedures to ensure zero violations.
Building a Diverse and Equal Workplace (DEI)	1. Review HR regulations to eliminate potential bias in recruitment, promotion, and compensation. 2. Respect equality across diverse nationalities, religious beliefs, and customs.	• **Zero Discrimination Record:** No discrimination complaints in 2025. • **Inclusion Actions:** Providing information on venues for religious activities for foreign employees, and granting Indigenous employees statutory leave for traditional seasonal rituals. • **Barrier-Free Communication:** Full bilingualization of internal announcements and signage to ensure equitable information delivery.
Safeguarding Freedom of Association and Collective Bargaining	1. Regularly hold labor-management meetings to establish a transparent negotiation mechanism. 2. Ensure employees understand their collective bargaining rights.	• **Transparent Communication:** Quarterly labor-management meetings held in Taiwan, with an online platform established for employees to access records at any time. • **Awareness Promotion:** Completed Freedom of Association and Collective Bargaining training in 2025, with 100% participation. • **Compliance Assessment:** Assessment confirmed no risk of violations of freedom of association at operating sites or Tier 1 suppliers.
Prohibiting Forced Labor and Ensuring Freedom of Employment	1. Regulate hiring, overtime, and resignation procedures in accordance with RBA guidelines. 2. Strictly prohibit any form of bonded labor or withholding of identity documents.	• **Labor Autonomy:** Confirmed through diverse complaint and interview channels in 2025 that there were no incidents of involuntary labor or withholding of identity documents. • **Voluntary Overtime:** Ensuring overtime procedures comply with employee consent and statutory hour limits.
Preventing Workplace Violence and Unlawful Infringement	1. Establish the Sexual Harassment Prevention and Disciplinary Measures and complaint procedures. 2. Conduct prevention awareness campaigns and regular inspections.	• **Education Implementation:** 100% of employees completed unlawful infringement prevention training. • **Management Awareness:** Through management training courses, enhanced supervisors' ability to identify and prevent workplace misconduct, ensuring regulatory compliance, establishing a safe and respectful work environment, and effectively handling related incidents.
Ensuring Wage and Benefit Compliance	1. Provide wage statements and benefits that exceed legal requirements. 2. Establish internal control mechanisms to prevent manual payroll errors.	• **Systematic Management:** Continued optimization of the new HRM system in 2025, featuring an early-warning function to ensure 100% accuracy and compliance in working hours and wages. • **Salary Transparency:** Regular reviews to ensure no delayed payments, no unlawful punitive wage deductions, and participation in statutory social insurance programs.

Note:
In addition to all of TSC's operating sites, this scope also extends its influence to suppliers. All suppliers are required to sign the RBA Vendor Code of Conduct commitment letter, and there have been no material violations of the relevant code, safeguarding the rights of all individuals within the supply chain.

Diverse Communication Channels and Employee Feedback

TSC regards employees as central to its sustainable development and is committed to building a diverse, equitable, and open communication environment. We not only implement complaint procedures required by law, but also proactively use diverse surveys and interviews to ensure every employee's voice is "effectively heard, promptly responded to, and concretely improved upon."

Multi-Tiered Communication Matrix: Ensuring Transparent, Two-Way Information Flow

TSC builds a solid foundation of labor-management trust through "top-down" real-time communication and "bottom-up" feedback channels:

Real-Time Information Dissemination

The corporate intranet, senior management email mailbox, and bulletin boards are used to periodically disseminate company regulations, business policies, and occupational health and safety information.

Two-Way Feedback Platform

- **Suggestions:** Physical and electronic "suggestion boxes" are available, encouraging employees to offer constructive ideas on the production environment and operational efficiency.
- **Professional Complaints:** Dedicated hotlines and whistleblower mailboxes are established, protecting the privacy of whistleblowers and ensuring fair handling of unlawful conduct and rights violations.

"We do not just make promises—we implement every improvement."

TSC has established a transparent and rigorous human rights management cycle, **from front-end risk identification to back-end substantive improvement**, ensuring every employee's voice can be transformed into momentum for workplace evolution. In 2025, we successfully enhanced the investigative professionalism of the complaint committee through this mechanism.

Regular Labor-Management Dialogue

- **Taiwan Region:**
  ① Quarterly labor-management meetings, with 2025 focusing on "employee well-being" and "facility adequacy," with all meeting minutes uploaded to an online platform for employees to review.
  ② Annual general employee meetings held at each site, personally led by the President together with department heads, engaging in two-way communication and exchange with employees.
- **Mainland China Region:** Annual union meetings held to conduct in-depth exchanges on localized labor regulations and rights.



General Employee

Employee Opinion Survey and Improvement Actions

TSC not only collects feedback, but also places great importance on the transparency of "implementing improvements." We precisely capture employee needs through two key indicator surveys:

- **Annual Employee Opinion Survey:**
  Since 2023, an annual survey has been conducted for employees in Taiwan, covering four dimensions—"engagement, teamwork, management and leadership, and corporate identification"—serving as a long-term indicator for optimizing the workplace experience.

  Based on the 2024 employee opinion survey results, TSC communicated with all departments and implemented several feasible improvement action plans, including:

  ① **Establishing a labor-management meeting record platform to enhance information transparency**
  ② **Promoting the sharing of training resources across regions to maximize the use of existing resources**
  ③ **Strengthening the linkage between performance management and reward systems; starting in 2025, employees at job grade 7 and above have been incorporated into core competency evaluations**
  ④ **Continued optimization of employee welfare, including annual and quarterly activities, regular updates to affiliated store information, and additional electronic bulletin boards on production lines**
  ⑤ **Improvements at the Li-Je Site, including addressing dining hall sightline blind spots, adding hot water equipment, and enhancing common areas**

  At the same time, TSC conducted feasibility and day-to-day management assessments of all suggestions employees have raised, including leave and attendance systems; although some proposals cannot be immediately implemented due to considerations of cross-site management balance, they will continue to be studied and assessed, with further discussion to be initiated at an appropriate time.

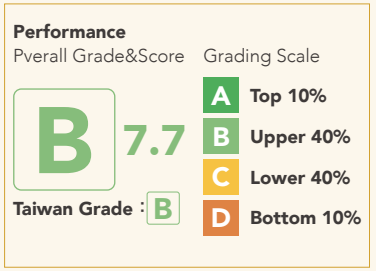
  In the 2025 annual employee opinion survey, we specifically added a new "TSC Core Competency Culture" question category. This was done not only to gather genuine feedback and expectations regarding employees' competency demonstration, but also to embed "Competency DNA" into the Company's various management systems:

  ① **Competency-Oriented Training System:**
  Based on competency gap analysis, we designed a tailored "Competency Ladder Training Program," ensuring training resources are precisely invested to effectively enhance employees' competitiveness in professional skills and management decision-making, transforming competency into a sustainable path for personal development.

  ② **Deep Integration of Performance and Competency:**
  We are advancing the incorporation of competency performance into the performance appraisal mechanism. This means we focus not only on goal achievement but also on the behaviors demonstrated in achieving those goals. Through this inside-out focus, we guide colleagues to build habits through behavior and change from within, which in turn links to fair and transparent promotion and incentive standards.

  ③ **Leading Organizational Transformation and Cultural Internalization:**
  Through the advancement of the competency system, we have successfully linked the Company's core values to everyday work behaviors. The 2025 Competency DNA survey results will serve as an important basis for continuously optimizing the talent development blueprint, ensuring TSC's human capital can flexibly respond to market challenges and achieve a win-win sustainable development goal for both the Company and its employees.

- **Third-Party Commissioned Survey:**
  In May 2025, TSC's I-lan Site continued to undergo a third-party opinion survey of employees commissioned by a customer, covering the following scope: (1) grievance channels, (2) compensation and benefits, (3) safety and hygiene, (4) mental health, (5) living facilities, and (6) personnel stability. **This survey achieved a response rate of 90% at the I-lan Site, with an overall result of Grade B**, an improvement over the Grade C achieved in 2024; **scores across all categories were not only higher than the 2024 I-lan Site survey results, but also higher than the 2024 Taiwan**, industry, and global survey results, demonstrating TSC's growth across all categories and earning employees' recognition.



Following the survey, TSC developed concrete improvement action plans based on employee suggestions, conducted monthly reviews of implementation progress, and completed all improvement measures by November; a follow-up employee opinion survey was then conducted to confirm effectiveness, receiving positive feedback from the customer.

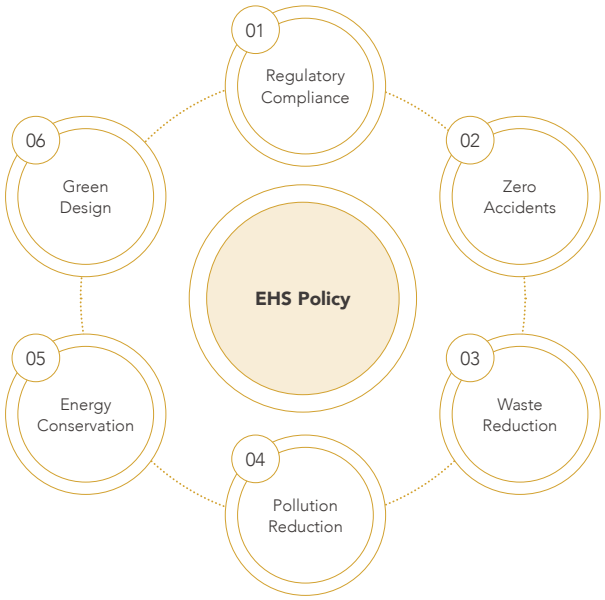
▲ Indicates a significant change

Category	Score	vs Last Survey	vs FY24 ComoGrp	vs FY24 *TW	vs FY24 Global
Overall Score	7.7	▲0.8	▲0.2	▲0.4	▲0.3
Grievance Mechanism	7.8	▲0.7	▲0.3	▲0.4	▲0.3
Wages	8.1	▲0.7	▲0.1	▲0.2	▲0.1
Health & Safety	7.8	▲0.6	▲0.1	▲0.3	▲0.2
Mental Health	7.2	▲1.2	▲0.3	▲0.5	▲0.3
Amenities	7.6	▲0.9	▲0.5	▲0.8	▲0.6
Workforce Stability	7.4	▲0.7	▲0.2	▲0.2	▲0.2

Data source: Intertek Testing Services Taiwan Ltd. Report

4.2 Protecting Workplace Environment

GRI 403-1 403-2 403-3 403-4 403-5 403-8 403-9 403-10 TC-SC-320a.1 TC-SC-320a.2



To achieve sustainable operations, building a safe and healthy workplace is an indispensable key element. TSC has established its Environmental, Health, and Safety (EHS) policy based on six dimensions—**regulatory compliance, zero accidents, waste reduction, pollution reduction, energy conservation, and green design**—as the core guiding principle for overall management, and has developed comprehensive operating procedures in compliance with occupational health and safety regulations to ensure the safety and health of all workers.

Total Monetary Loss Resulting from Occupational Safety Regulation Violations

In 2025, there were no violations of occupational health and safety regulations in Taiwan.

Occupational Safety Management System

TSC's occupational health and safety management framework at each production site has been established in compliance with regulatory requirements, implementing safety and health management measures centered on the ISO 45001 framework, coordinated by a dedicated industrial safety unit, adopting the PDCA continuous improvement cycle, and overseen and reviewed for performance by the Occupational Health and Safety Management Committee.

Scope of Occupational Safety Management Framework

The occupational health and safety management system covers all workers and activities at the Taiwan site and the four sites in China, including all activities of those entering the site premises, such as outsourced personnel, contractors, and visitors, as described below:

- **Scope of Application:** All of the Company's plants have implemented the ISO 45001 Occupational Health and Safety Management System in accordance with relevant regulations, fully applicable to all workers.
- **Exclusions:** This disclosure item does not exclude any workers; all personnel within the Company's scope of control are included in the management system.
- **Data Description:** The disclosed data defines "workers" to include regular employees and non-employee personnel such as contractors, calculated based on the actual number of personnel managed and entering the work sites at each location, with the scope defined by the applicability of the ISO 45001 management system, and the percentage calculated as (number of persons covered by the system / total number of workers).

Management System Coverage (Including Four Plants in Taiwan and Mainland China)	Number of Employees	Percentage	Number of Non-Employees	Percentage
Workers Covered by the Company's Management System	1239	97.3%	30	2.3%
Included in the Scope of Internal Audits of the Company's Occupational Health and Safety Management System	1239	97.3%	30	2.3%
Included in the Scope of External Verification (such as ISO 45001)	1239	97.3%	30	2.3%



I-lan-Li-Je Combined ISO 45001 Certificate



Shandong Site ISO 45001 Certificate



Tianjin Site ISO 45001 Certificat

Passing on Professional Governance Experience

Introduction of Professional Talent

To deepen occupational health and safety management and professional governance capabilities, TSC's Taiwan sites brought on a senior industrial safety manager with extensive practical experience this year to coordinate occupational health and safety management at the I-lan and Li-Je Sites, continuously optimizing the execution effectiveness and maturity of the overall management system.

Cross-Site Standards and Risk Control

Strengthening the integration of cross-site standards, tiered risk control, and safety management of critical operations, while continuously enhancing internal industrial safety personnel's professional capabilities through experience transfer and professional coaching, ensuring the execution capability and maturity of the occupational health and safety management system.

Certification Management and Training Assignment

Reviewing the risks of various types of on-site operations and strengthening the management of occupational safety certification training assignments, ensuring that trained and qualified personnel are available at all times—whether during shift changes, emergencies, joint operations, or substitute duties—to take necessary action, safeguarding on-site operational safety and immediate response capability.

High-Risk Area Signage

For high-risk areas such as facility machine rooms and wastewater treatment plants, signage is installed at prominent entry points displaying hazard icons and indoor layout diagrams, clearly listing safety precautions and required personal protective equipment (with concurrent notices requiring hard hats in high-risk areas), reminding personnel to comply with safety regulations, reducing accident risk, and ensuring operational safety.

Industrial Safety-Facilities Flipped Classroom

Through joint learning between the facilities and industrial safety teams, industrial safety personnel participate in hands-on training on various facility systems, deepening their understanding of on-site work processes and safety precautions through practical operation. At the same time, through sharing sessions led by the industrial safety team, facilities staff more easily grasp safety and health, emergency response, and fire safety requirements, further enhancing their "sentinel" role and improving overall on-site safety protection capability.

Risk Control and Management Mechanisms

Monitoring Mechanisms and Tracking	Regular workplace environment monitoring (such as for chemicals, organic solvents, noise, etc.) is conducted, and employee health status is continuously tracked through health checkups and special health examination systems, ensuring exposure risks remain within regulatory standards.
Risk Assessment and Management	Regular hazard identification and risk assessment are conducted for potential risks such as chemical substances, high-pressure gas, mechanical equipment, and material handling operations, with standard operating procedures established and performed by dedicated personnel, while continuously tracking regulatory updates to identify potential risks.
Reducing Risk and Raising Awareness	Following the tiered protection principles of engineering controls, administrative controls, and personal protective equipment, priority is given to source improvements and process optimization to reduce the generation of or exposure to hazardous substances, supplemented by training to enhance employees' risk awareness and self-protection capabilities.
Emergency Response	Through professional training in toxic disaster response management, response procedures and concepts are integrated into on-site management, and multiple grouped emergency response drills and assessments are planned across different areas, ensuring that on-site personnel and response teams can take correct action immediately in the event of a disaster; the central command system is also strengthened to enhance cross-unit coordination capability and on-site command effectiveness.
Reporting and Improvement Mechanism	Systems for internal and external audits, incident investigation, equipment safety inspection, and safety meetings have been established, granting workers the authority to immediately stop hazardous operations and evacuate, putting the "safety first" corporate culture into practice.
Recognition of Exemplary Conduct	In addition to identifying deficiencies, inspections are also used to publicly recognize good practices at Occupational Health and Safety Committee meetings, with appropriate rewards provided to strengthen positive feedback mechanisms, deepen the safety culture, and foster an overall safety atmosphere in the workplace.

Risk Management Process

Ensuring the Competence of Risk Identification and Assessment Personnel

Each department designates a dedicated contact responsible for conducting risk identification and assessment of occupational hazards, with the occupational health and safety unit planning and conducting related training to ensure they possess the necessary expertise and assessment capabilities. Training content covers hazard identification methods, risk assessment principles, and tiered management mechanisms; upon successful completion of training, department representatives complete and update risk assessment forms to ensure the completeness and consistency of assessment results.

Mechanism for Employees to Report Occupational Hazards and Dangerous Conditions

The Company has established diverse and accessible reporting channels, encouraging employees to proactively report occupational hazards and unsafe conditions in the workplace (such as equipment anomalies and operational risks). Reports can be made through the internal system or a tiered escalation mechanism, with responsible units promptly handling and tracking improvements.

In addition, to build a positive safety culture, the Company clearly promotes a "no-blame reporting" principle, ensuring employees will not face any disciplinary action or unfavorable treatment for reporting occupational hazards or potential risks. This principle is communicated during new employee onboarding training and continuously reinforced in daily management.

Employees' Right to Stop Unsafe Work and Related Protections

TSC prioritizes employee safety, clearly granting employees the right to immediately stop work and evacuate the site upon discovering that the work environment or operation may pose a risk of injury or illness to themselves or others, and to report the matter to a supervisor or relevant unit for handling.

To safeguard employees' exercise of this right, the Company likewise adopts a "no-blame" principle, ensuring employees will not face any disciplinary action or adverse impact for stopping work or leaving a dangerous situation for safety reasons. These rights and procedures are also clearly explained during new employee onboarding training, with ongoing communication to reinforce employee safety awareness.

Identification and Assessment of Severe Occupational Injury Risks

To effectively identify occupational hazards that may lead to severe occupational injuries, the Company has established a systematic hazard identification and risk assessment mechanism; each unit regularly conducts hazard identification based on work processes, equipment characteristics, and historical incident data, and performs risk analysis using a "Hazard Identification Form."

Risk assessment involves quantitative scoring based on "frequency of occurrence" and "severity of injury" to calculate a risk value, which is then classified into high, medium, and low risk levels; high-risk items that could result in major injury (such as death, permanent disability, or major equipment incidents) are prioritized for improvement.

In addition, the Company also strengthens the identification of major risks through the following methods:

- **Retrospective analysis of incidents and near-miss events**
- **Special inventory of high-risk operations (such as working at heights, hot work, and confined space work)**
- **Contractor operation risk assessment and management**
- **Regular occupational health and safety audits and inspections**

Tiered Control and Improvement Measures for Severe Occupational Injury Risks

For items assessed as medium-high risk or above, the Company adopts tiered control measures based on the "Risk-Tiered Control Principle," prioritizing improvements according to the Hierarchy of Controls, including:

Elimination

Eliminating the hazard source, such as canceling unnecessary high-risk operations

Substitution

Substituting existing methods with lower-risk processes or materials

Engineering Controls

- Installing protective equipment (guardrails, fall protection devices, safety interlocks)
- Improving equipment automation to reduce personnel exposure

Administrative Controls

- Establishing Standard Operating Procedures (SOPs)
- Implementing work permit systems (such as for hot work, working at heights, and lifting operations)
- Regular training and safety awareness campaigns

PPE

Providing and mandating the use of appropriate protective equipment (such as hard hats, protective clothing, and fall protection gear)

At the same time, the Company has established improvement tracking mechanisms for major risk items, regularly reviewing improvement effectiveness through KPI management and internal audits, ensuring continuous risk reduction.

Identification and Assessment of Occupational Disease Risks

For hazards that may lead to occupational disease, the Company conducts systematic identification through workplace environment monitoring and health risk assessment mechanisms. This mainly covers the following types of hazards:

- **Chemical hazards** (such as organic solvents, gases, dust)
- **Physical hazards** (such as noise, high temperatures, radiation)
- **Ergonomic hazards** (such as repetitive tasks, poor posture)
- **Biological hazards** (such as viruses, bacteria)

Each hazard is similarly assessed using the Hazard Identification Form and risk-graded according to exposure frequency, exposure level, and severity of health impact, identifying high-risk groups and operations. In addition, the Company also cross-analyzes workplace environment monitoring data, employee health checkup results, and occupational disease reporting data to enhance the identification of potential occupational disease risks.

Tiered Control and Prevention Measures for Occupational Disease Risks

For occupational disease risks, the Company similarly adopts corresponding prevention and control measures based on risk tiers, including:

Engineering Improvement

- Installing local exhaust ventilation systems to reduce exposure to hazardous substances
- Improving ventilation systems and air quality
- Introducing low-toxicity or non-toxic alternative materials

Operational Management

- Establishing a chemical management system (including SDS management)
- Implementing work-time control and job rotation systems
- Establishing exposure warning and control standards

Health Management Measures

- Conducting regular employee health checkups (including special health examinations)
- Tracking and tiered management of high-risk groups
- Providing health promotion and occupational disease prevention education

Key Management at Taiwan Sites

01 **Contractor Management: Pre-construction hazard notification, equipment inspection, personnel qualification review, and dedicated on-site supervision.**

02 **Procurement Management: Safety assessments introduced for chemicals, raw materials, protective equipment, and engineering projects.**

03 **Change Management: Standardized procedures for risk assessment, training, and safety verification.**

04 **Inspection Management: Regular and random spot inspections to detect abnormalities early and take corrective action.**

中國廠區重點管理

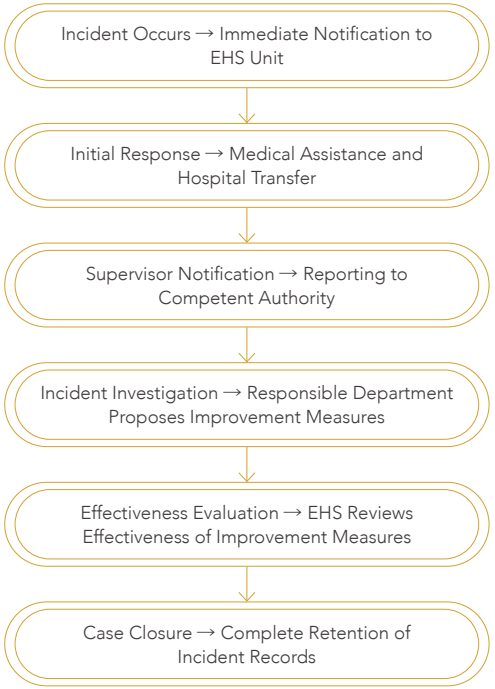
01 **Combining standardized documentation and management procedures, emphasizing full participation and training.**

02 **Establishing institutionalized review and continuous improvement mechanisms, regularly reviewing effectiveness and revising measures.**

03 **Encouraging proactive feedback and reporting of potential hazards, strengthening on-site risk prevention.**

Occupational Injury and Emergency Response

Incident Reporting and Handling: Establishing a tiered response mechanism, clear organizational division of labor, regular drills, and maintenance of response equipment, with cooperation mechanisms established with fire and medical units.



Occupational Safety Incidents and Statistics

In 2025, the Company continued to monitor and statistically analyze occupational injuries in accordance with its occupational health and safety management system.

During the year, employees experienced a total of 3 occupational injury incidents, primarily involving falls; there were no fatalities due to occupational injury, and no severe occupational injuries, deaths, or occupational diseases occurred.

Among non-employee workers under the Company's control (including contractors and outsourced personnel), no occupational injury or occupational disease incidents occurred in 2025, and overall workplace safety remained stable.

For detailed statistics on occupational injury fatality numbers and rates, severe occupational injuries, recordable occupational injuries, main injury types, and working hours, please refer to the table below.

Occupational Safety Incident	Description	Improvement Measures
Shandong Site: 2 incidents	1. Fell due to slippery ground from snow during equipment inspection rounds 2. Fell while jogging in the workshop corridor	Following the incidents, an investigation into the causes of both falls was immediately conducted, along with a comprehensive review and improvement; all employees were reminded to observe their surroundings and maintain steady footing while walking on-site, and running or jumping is prohibited except in emergencies; anti-slip mats were also laid during the winter to reduce the risk of slipping.
I-lan Site: 1 incident	An employee tripped over a cart and fell	Following the incident, warning labels were immediately added to carts, and One-Point-Lesson (OPL) training was completed, covering traffic flow, item placement principles, and brake locking, among other topics.

Category	Hong Kong	Shanghai	Headquarters	Li-Je Site	I-lan Site	Tianjin Site	Shandong Site	Total
Number of People	5	51	101	286	168	289	496	1396
Total Working Hours	9840	101184	198768	562848	330624	573376	984064	2760704
Number of Recordable Occupational Injuries (Excluding Severe Injuries and Fatalities)	0	0	0	0	1	0	2	3
Recordable Occupational Injury Rate	0	0	0	0	3.02%	0	2.03%	1.09%
Number of Severe Occupational Injuries (Excluding Fatalities)	0	0	0	0	0	0	0	0
Severe Occupational Injury Rate (Excluding Fatalities)	0	0	0	0	0	0	0	0
Lost Workdays	0	0	0	0	1	0	102	103
Number of Fatalities	0	0	0	0	0	0	0	0
Disabling Injury Frequency Rate (FR)	0	0	0	0	3.02	0	2.03	0.72
Disabling Injury Severity Rate (SR)	0	0	0	0	3.02	0	103.65	37.31
Occupational Disease Record	0	0	0	0	0	0	0	0

Note:
1. Total working hours are calculated as: Annual working days × Average daily working hours × Number of employees as of 12/31.
2. The number of occupational injuries does not include traffic accidents occurring during commuting.
3. Occupational Injury Rate = Number of Occupational Injuries ÷ Total Working Hours × 1,000,000.
4. Definition of Severe Occupational Injury: An injury resulting in death, or one from which a worker is unable or unlikely to recover to their pre-injury state of health within six months.
5. Severe Occupational Injury Rate = Number of Severe Occupational Injuries ÷ Total Working Hours × 1,000,000.
6. There were 30 non-employee on-site workers, with a total of 58,912 working hours for the year, primarily annual on-site security and cleaning personnel in Taiwan and China; no occupational injury or disease cases occurred during the year.
7. Disabling Injury Frequency Rate (FR) = Number of Disabling Injuries (including fatalities) ÷ Total Working Hours × 1,000,000.
8. Disabling Injury Severity Rate (SR) = Total Lost Workdays ÷ Total Working Hours × 1,000,000.

Information security

Taiwan Sites	On-the-job occupational health and safety training, fire and evacuation drills, earthquake drills, respiratory protective equipment training, AED+CPR first aid, and health education seminars.
China Sites	Scenario-based drills covering fire safety knowledge, safety signage, traffic safety, special equipment operation, confined space work, chemical spills, forklift tip-over, heatstroke, and burns.

Total Training Hours

30909 hrs

Item	Sessions	Number of Participants	Training Hours
General Health and Safety Training	189	5286	12299
Fire Safety Seminars and Drills	101	4120	5156
Training for Various Occupational Safety Personnel	45	82	1035
Health and Safety Awareness Activities	260	113983	12419
Total	**595**	**123471**	**30909**

Health Services and Occupational Disease Management

In compliance with relevant regulations, TSC promotes diverse employee health protection measures, continuously safeguarding employees' physical and mental health through risk identification, health management, and professional medical intervention.

Health Checkup Attendance Rate

100%

Health Checkups and Follow-up	The attendance rate for special hazard operation health checkups at Taiwan and China sites reached **100%**, with no occupational disease records for three consecutive years.
Health Management Measures	• General health checkups, special hazard health checkups, health questionnaires, overwork and stress management, maternal and older-worker protection, employee health records, health promotion activities, workplace environment monitoring, and tiered chemical management. • Taiwan sites, in accordance with the Regulations of Labor Health Protection, have contracted services with the Director of Occupational Medicine at Bo-Ai Hospital and Lanxin Occupational Health Management Consulting Company, conducting regular health interviews and awareness campaigns, and individually tracking high-risk employees.
Health Protection Programs	• **Prevention of Diseases Induced by Overload:** Identifying and assessing high-risk groups, arranging consultations and health guidance with occupational physicians, and providing measures such as work adjustments, reduced hours, or job content modifications based on individual circumstances. • **Prevention of Repetitive Musculoskeletal Injuries:** Understanding employees' fatigue and discomfort through musculoskeletal symptom questionnaires, conducting job content and risk assessments, and providing improvement and work adjustment recommendations as needed. • **Maternal Health Protection:** Implementing hazard assessment, tiered management, and control measures for female employees who are pregnant or within one year postpartum, to safeguard the health of both mother and fetus.

Employee Participation, Consultation, and Communication Mechanisms

The Company values employee participation in its occupational health and safety management system, and has established diverse communication and feedback mechanisms to ensure the system's effective operation and continuous improvement.

Employee Participation in the Development, Implementation, and Evaluation of the Occupational Health and Safety Management System

The Company has designated occupational safety contacts in each department; when conducting occupational health and safety-related work (such as hazard identification, risk assessment, and implementation of improvement measures), department heads and employees jointly participate, ensuring the work content closely reflects actual operational needs. In addition, during system revisions and annual reviews, feedback is collected from all units and incorporated into evaluation and optimization, enhancing the completeness and feasibility of the system.

Employee Feedback and Communication Channels

The Company has established diverse employee feedback mechanisms, through which employees may submit suggestions or opinions regarding the occupational health and safety management system via the following channels:

Labor-Management Meetings
Held regularly, providing a platform for two-way communication between employee representatives and the Company

Occupational Health and Safety Committee
Employees may voice their opinions and participate in discussions through labor representatives.

Grievance Channel
A formal grievance mechanism is in place, safeguarding employees' right to express their opinions without facing unfavorable treatment.

Employee Suggestion Box
Provides an anonymous feedback channel.

Health Questionnaires and Interviews
Employee opinions are collected through regular health checkups and questionnaire surveys.

Operation of the Occupational Health and Safety Committee

The Company has established an Occupational Health and Safety Committee in accordance with the law, holding regular quarterly meetings composed jointly of labor and management representatives. The Committee's main responsibilities include reviewing occupational health and safety policies, overseeing the implementation of management plans, reviewing occupational injuries and abnormal incidents, and proposing improvement recommendations. The Committee serves a discussion and advisory decision-making function, with its resolutions serving as the basis for management to implement improvement measures. The Committee also includes employee representatives, ensuring that labor's views are fully expressed and taken into consideration in decision-making.

Communication Operations at China Sites

Through diverse channels such as email, WeChat work groups, labor unions, management meetings, and morning briefings, employees and responsible units jointly participate in management and improvement efforts.

Upgraded Contractor Management (Taiwan Sites)

Building on the Contractor Operational Hazard Risk and Monitoring Handbook launched in 2024, TSC combines common unsafe behaviors and environmental conditions encountered during operations with real case studies and safety guidance, enhancing hazard awareness and ensuring the safety quality of contracted work. In 2025, contractor management was further upgraded, clearly requiring contractors to submit a construction safety plan for review prior to construction; coordination meetings are convened based on the construction site and scope of impact, and occupational health and safety training on hazardous operations (such as oxygen-deficient environments, lifting operations, and machinery operation) is provided to the Company's site supervisors.

Key enhancement measures in 2025 included:

- Three-Party Hazard Notification: TSC supervisors are required to explain the construction environment, details, and potential hazards to contractors upon entry, ensuring contractors fully understand on-site conditions, with additional safety regulations supplemented by site industrial safety personnel and contractor supervisors.
- Advance Application for High-Risk Construction: For oxygen-deficient, lifting, and other high-risk operations, an application form must be completed and reviewed prior to construction, implementing effective risk control.
- Implementation of Industrial Safety Inspection System: Industrial safety personnel conduct daily inspections based on a registry of construction contractors, ensuring construction processes comply with safety regulations and promptly correcting unsafe behaviors.

This management system effectively enhances the safety standards of contracted construction, ensuring a safe working environment and worker health, and realizing the "zero accidents" goal.



Pre-Work Hazard Notification Training for Contractors

Rapid Response to Safeguard Employee Safety (Li-Je Site)

To continuously strengthen the workplace safety culture and fulfill the Company's commitment to employee safety, the Company regularly plans and conducts various emergency response drills, progressively building a more accurate, comprehensive, and efficient emergency response mechanism through scenario simulations and hands-on training.

At the same time, through cross-departmental collaborative drills and role assignments, the command structure and reporting procedures are clarified, strengthening personnel's response capability and decision-making efficiency at all levels during emergencies, enabling employees to become familiar with response procedures and take swift, correct action, effectively reducing incident impact and personnel risk.

Going forward, the Company will continue to roll out improvements to its response procedures through review and refinement mechanisms, ensuring the overall safety management system continues to improve and creating a safer, more reliable work environment.

Taking the cleanroom fire response drill as an example, starting from the central control room's VESDA system detecting an abnormal signal, on-duty personnel immediately activated the notification mechanism in accordance with standard operating procedures and contacted the on-site manufacturing unit to confirm the situation. Upon receiving notification, the on-site team leader swiftly assigned personnel to investigate the fire source and perform initial firefighting, while confirming that fire alarm equipment was functioning normally.

Once the command structure was activated, all units simultaneously carried out actions according to their assigned tasks, including personnel evacuation and headcount, smoke exhaust system operation, equipment safety protection, and power shutdown, while immediately activating the medical support mechanism, with the on-site nurse standing by to provide necessary medical assistance. All response procedures were completed swiftly through cross-departmental cooperation.

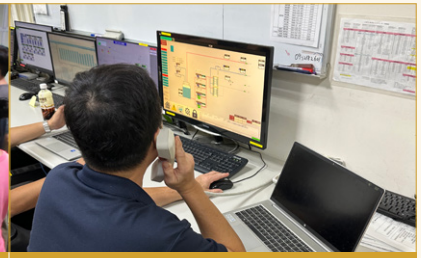
This drill took only about 7 minutes from anomaly detection to completion of the main response and evacuation preparedness, effectively validating the efficiency of the Company's emergency response mechanism and its organizational coordination capabilities. The drill received an overall evaluation score of **92 points**; in addition to demonstrating a solid safety management foundation, it also reviewed improvement items such as fire extinguisher operation mnemonics and command procedures through the drill, continuously refining the safety management system.



Cleanroom Emergency Response



Warehouse Emergency Response Training



Central Command Training



Reporting Team Drill



Medical Response Team Drill



Fire Department-Guided Joint Drill



Recommended Primary Stakeholders for This Section:

☐ Suppliers ■ Customers ☐ Employees ■ Investors ■ Government ■ Media ■ Others

05

Green Manufacturing and Operation

5.1 Climate Governance and Strategies
5.2 Energy Resource Management
5.3 Water Stewardship
5.4 Pollution Control and Prevention

5.1 Greenhouse Gas Management GRI 3-3 201-2 302-4 305-5

Foundational Topic **Climate Strategy and Energy Management**

Green Manufacturing and Operation

Climate change is an urgent issue. To mitigate impacts on the natural environment and implement energy conservation and carbon reduction, TSC is committed to embodying the spirit of sustainable development in its operations, minimizing the environmental impact of its business activities as much as possible.

To assess the risks and opportunities brought about by climate change and formulate response strategies, TSC has conducted impact assessments under the Task Force on Climate-related Financial Disclosures (TCFD) framework since 2022, disclosing the assessment results annually on the Company's website and in the Sustainability Report. In addition, carbon emissions management is carried out based on greenhouse gas inventory results, and the ISO 14001 Environmental Management System and ISO 50001 Energy Management System have been introduced across dimensions such as energy, water resources, waste, wastewater, and air pollution control, continuously implementing various environmental management actions.

Policy and Commitment

Actively promote energy-saving programs to improve energy efficiency, develop alternative energy solutions, and reduce the environmental impact of greenhouse gas emissions through various climate actions, in order to enhance climate resilience.

Management Approach and Evaluation Mechanism

- Regularly assess the financial impact of climate change in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.
- Continue to advance greenhouse gas inventories and expand their scope and items.
- Obtain verification under the ISO 14064 international standard to enhance the transparency of carbon emissions information.
- Promote various energy and resource reduction projects and regularly track performance.
- Participate in the international CDP assessment.

Action Plans and Performance

- **Completed a quantitative assessment of TCFD climate-related risks and opportunities, focusing on two key risk items: "increased greenhouse gas emission costs" and "increasing sustainability-related regulations and requirements."**
- **Achieved 100%1 greenhouse gas inventory coverage across all production sites, and advanced the ISO 14067 product carbon footprint implementation project.**
- **Achieved energy savings of 261,119.96 GJ, equivalent to a reduction of 30,754.13 metric tons of CO_2e emissions.**
- **Renewable energy usage accounted for 42.70% of total electricity consumption.**

Note:
1. Coverage rate is calculated as the number of certified sites / total number of sites.

Greenhouse Gas Inventory Coverage Rate
100%

Reduction
30,754.13
ton CO_2

Energy Savings
261,119.96
GJ

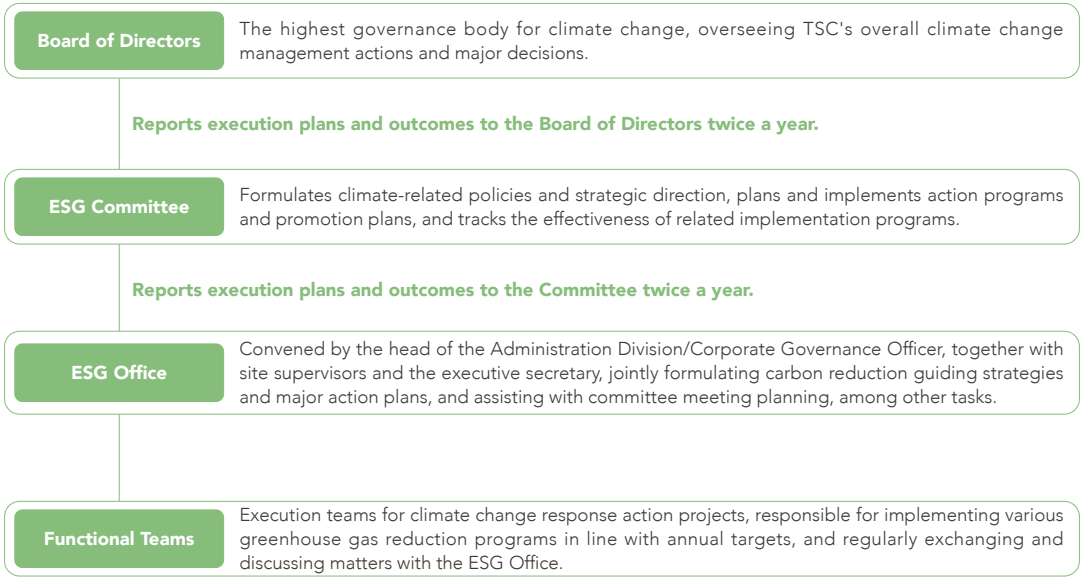
5.1.1 Climate Governance and Strategies

TSC closely monitors the risks and business opportunities that climate change may bring, disclosing the management and response measures for climate-related risks and opportunities in accordance with the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). TSC's climate risk and opportunity management mechanism is integrated with the Company's risk management process, continuously advancing its low-carbon transition and strengthening the Company's resilience in responding to climate change through the four pillars of "governance, strategy, risk management, and metrics and targets."

Climate Governance and Management Structure

In 2024, TSC elevated the original ESG Committee to a Board-level functional committee, responsible for overseeing climate-related risks, opportunities, response strategies, targets, preventive measures, and concrete outcomes. An ESG Office operates under the ESG Committee, responsible for assisting with meeting planning and consolidating sustainability performance data for reporting to the ESG Committee and the Board of Directors. Various greenhouse gas and energy management tasks are jointly advanced by production units and business units to implement climate risk mitigation and adaptation efforts.

The ESG Committee reports to and discusses with the Board of Directors at least twice a year on climate change-related issues, greenhouse gas inventory progress, renewable energy deployment, and other implementation status, explaining execution performance.



Management Status per TCFD Recommended Methodology		2025 Implementation Status
Governance	TSC's ESG Committee is a Board-level functional committee. On climate change issues, the ESG Committee is responsible for overseeing climate-related risks, opportunities, response strategies, targets, preventive measures, and concrete outcomes.	A total of 2 ESG Committee meetings were held, covering topics such as greenhouse gas inventory progress reports, the draft carbon reduction roadmap, and analysis of renewable electricity usage needs.
	The ESG Office annually reviews and assesses climate change issues, plans response measures, advances risk protection, reviews implementation performance, and reports regularly to the ESG Committee.	The ESG Office is responsible for formulating climate change-related guiding strategies and major action plans, and then assigns functional teams and other units to implement climate-related actions.
Strategy	Following the TCFD framework, TSC has developed a methodology for assessing climate change risks and opportunities, identifying short-, medium-, and long-term climate risks and opportunities.	• Climate risks facing TSC and its upstream and downstream value chain are assessed based on three dimensions—potential impact severity, likelihood of occurrence, and potential vulnerability—with corresponding response measures formulated; for details, please refer to the tables below, "Climate-Related Risks and Their Impact on TSC's Value Chain" and "Climate-Related Risks and TSC's Response Measures." • Climate-related opportunities are identified based on TSC's business characteristics and low-carbon strategic planning; for details, please refer to "Climate-Related Opportunities."
	Analyze the potential operational and financial impacts of material climate risks and opportunities on TSC based on the TCFD framework.	Completed impact assessments under different scenarios for the material climate risks of **"increased greenhouse gas emission costs" and "increasing sustainability-related requirements and regulations"**; for details, please refer to "Climate Risk Impact Assessment and Scenario Analysis."
	Conduct climate risk analysis under different scenarios to evaluate short-, medium-, and long-term carbon reduction strategies.	Using the International Energy Agency (IEA) Announced Pledges Scenario (APS) and Net Zero Emissions by 2050 Scenario (NZE), TSC analyzes the impacts caused by the risks of "increased greenhouse gas emission costs" and "increasing sustainability-related requirements and regulations," and formulates climate change strategies and related mitigation measures.
Risk Management	Establish a climate change risk identification process based on the TCFD framework.	Identify climate change risks with reference to climate change laws and regulations and climate-related scientific research. For details on the climate change risk identification process, please refer to "Climate Risks and Opportunities."
	• Develop corresponding adaptation and mitigation response measures based on the results of climate risk identification and prioritization. • The climate risk identification process is integrated into the existing risk management process.	The ESG Office identifies the materiality of risks. Based on the materiality of climate risks, the ESG Office formulates response strategies and measures, which, upon confirmation by the ESG Committee, are implemented in daily operations and integrated into the risk management process.
Metrics and Targets	Set climate change-related management metrics to facilitate annual performance tracking.	Established "reducing total greenhouse gas emissions, using renewable energy, and improving energy efficiency" as climate change performance indicators.
	Annually inventory and disclose Scope 1 and Scope 2, and partial Scope 3 greenhouse gas emissions, reviewing the impacts facing the Company's operations.	Based on inventory and assessment results, continue to implement carbon reduction measures to lower the organization's greenhouse gas emissions. For details, please refer to "5.1.2 Greenhouse Gas Emissions and Management."
	Annually review the achievement status of climate management targets.	The ESG Office regularly reviews the performance of climate change mitigation-related projects, consolidates the results, and reports them to the ESG Committee, with the Board of Directors regularly overseeing execution outcomes.

The Company continues to monitor developments in the IFRS S1 and IFRS S2 standards and domestic alignment plans, and expects to begin preparing for the adoption of IFRS Sustainability Disclosure Standards starting in 2026 in accordance with the regulatory timeline. In 2027, it will begin identifying material differences and impacts between current sustainability information and the IFRS Sustainability Disclosure Standards, identifying sustainability-related (including climate) risks, opportunities, and financial impacts, and assessing material sustainability-related financial information. A trial preparation under the IFRS framework is planned for the following year, 2028, with a dedicated sustainability information chapter to be disclosed in the annual report filing in 2029.

Climate Risk and Opportunity Assessment Process

To strengthen its climate change-related risk and opportunity management mechanism, TSC has established a climate-related risk management process in accordance with TCFD guidance.

01 Complete the Climate Risk and Opportunity Inventory

With reference to the risk and opportunity types recommended by TCFD, international sustainability rating benchmarks, and climate risks of concern to industry peer companies, and taking into account TSC's operating sites and characteristics, TSC's climate risk and opportunity inventory is established.

02 Analyze Risk Impact Scope

Internally review the degree and scope of impact of each risk on TSC's own operations, scoring across three dimensions—"potential impact severity," "potential vulnerability," and "likelihood of occurrence"—and rank the impact severity of each risk by percentile.

03 Risk Materiality Ranking

Based on the analysis results, cross-reference each risk's position on the matrix chart. A risk is determined to be high risk if it simultaneously meets both conditions: **(1) ranking in the top 20% of risk values, and (2) falling within the high-vulnerability, high-impact position on the matrix chart** (the yellow zone); otherwise, it is determined to be low risk; if only one condition is met, it is classified as the next tier of risk.

04 Confirmation and Reporting

The ESG Office reports climate risks, corresponding opportunities and response strategies, and the risk matrix chart to the ESG Committee.

05 Response Strategies and External Disclosure

The ESG Office is responsible for climate risk and opportunity management, while functional teams assist in implementing climate-related risk and opportunity response measures and management operations; TSC plans to annually disclose its climate risk and opportunity management status to stakeholders in the Sustainability Report and on the Company's website.

（1）Risk Value

- Rank risks by multiplying the scores of vulnerability, impact severity, and likelihood of occurrence for all risks; the top 20–30% are classified as high risk, and the bottom 20–30% as low risk.
- This logic comprehensively considers vulnerability, impact severity, and likelihood of occurrence.

（2）Matrix Position

- The yellow zone in the matrix, due to relatively high vulnerability and high impact severity, requires special risk mitigation and is designated as high risk.
- The gray zone in the matrix, due to relatively low vulnerability and low impact severity, only requires resource reallocation and is designated as low risk.

TSC has compiled a total of 10 climate-related risks and 3 climate-related opportunities. **Transition risks covered include increased greenhouse gas emission costs, increasing sustainability-related requirements and regulations, and changes in customer behavior**; physical risks cover short-term risks such as typhoons and heavy rainfall, as well as long-term risks such as rising average temperatures. Regarding the frequency of identifying and assessing climate-related risks and opportunities, considering risk characteristics and possible occurrence timelines, and in response to the competent authority's requirement for listed and OTC companies to phase in the IFRS Sustainability Disclosure Standards starting in 2026, TSC will conduct sustainability risk and opportunity identification under IFRS S1/S2 in 2026, which will include the latest identification results for climate risks and opportunities. In 2023 and 2024, quantitative assessments were conducted for the transition risks of "increased greenhouse gas emission costs" and "increasing sustainability-related requirements and regulations" based on likelihood and impact severity.

Value Chain Impact Identification Process

To understand the impact of climate risks on TSC's value chain, we review the impact of each risk on The degree and scope of impact on upstream suppliers (wafer materials and diffusion materials), TSC's own operations, and downstream customers (high-tech products such as IT products, communication products, digital home appliances, and automotive electronics) are scored by internal supervisors using a three-tier scoring method. Within each of the three groups—upstream suppliers, own operations, and downstream customers—the impact severity of each risk is ranked by percentile, with the top 33.4% of scores within each group classified as high impact, 33.4% to 66.7% as medium impact, and the bottom 33.3% as low impact, identifying the degree of impact of climate risks on TSC's semiconductor value chain as a reference basis for operational strategy.

Climate-Related Risks and Their Impact on TSC's Value Chain

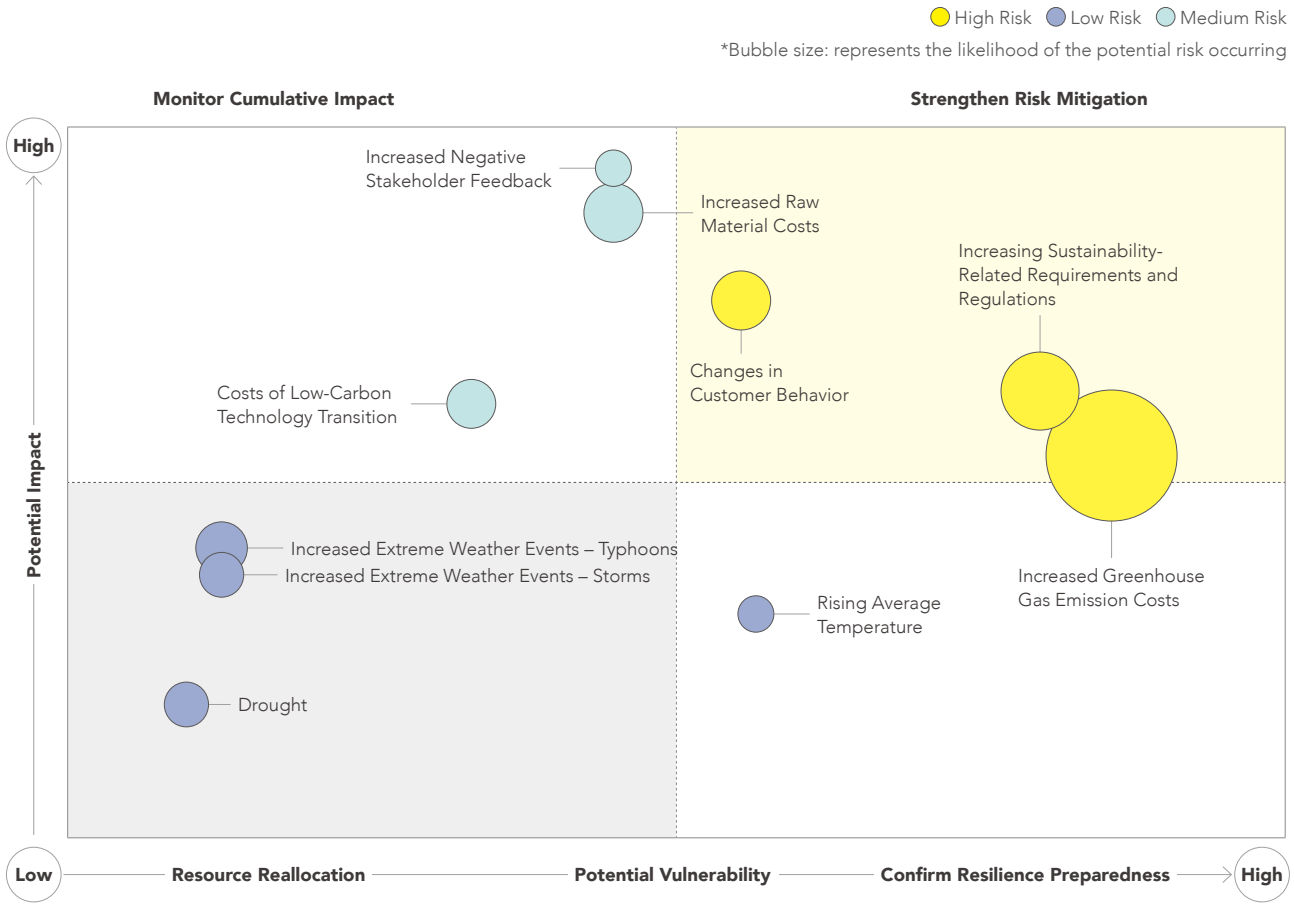
Low Medium High

Risk Type	Risk Dimension	Risk Name	Value Chain Impact		
			Upstream	TSC	Downstream
Transition Risk	Regulatory Policy	Increased Greenhouse Gas Emission Costs	Low	High	High
		Increasing Sustainability-Related Requirements and Regulations	Low	High	Medium
	Market	Changes in Customer Behavior	Low	Medium	High
		Increased Raw Material Costs	High	High	High
	Technology	Costs of Low-Carbon Technology Transition	Low	Low	Medium
	Reputation	Increased Negative Stakeholder Feedback	Low	Medium	Medium
Physical Risk	Extreme Weather Events	Increased Extreme Weather Events – Typhoons	High	Medium	Low
		Increased Extreme Weather Events – Heavy Rainfall	Low	Low	Low
		Drought	Low	Low	Low
	Long-Term Trends	Rising Average Temperature	High	Low	Low

Climate Risk Materiality Identification Process

To understand the impact of climate risks on TSC, internal department heads (including I-lan, Li-Je, Shandong, and Tianjin) review the impact of each risk on the Company, scoring climate-related risks across three dimensions—"potential impact severity," "potential vulnerability," and "likelihood of occurrence"—analyzing and identifying TSC's climate-related risk matrix, and using the identification results as a reference basis for formulating TSC's risk response and mitigation plans and crisis management mechanisms.

Climate Risk Matrix



Based on the climate risk materiality analysis, the potential impacts of the 10 identified risks on operations and financial planning were assessed, and corresponding response measures were formulated as shown in the table below, "Climate-Related Risks and Response Measures." Considering that various aspects of TSC's operations may be affected by climate-related risks and opportunities, TSC actively promotes energy-saving projects, develops renewable energy deployment plans, and continues to closely monitor climate-related policies; upon confirmation by the ESG Committee, these efforts continue to be implemented in daily operational management and risk management procedures.

Climate-Related Risks and Response Measures

Low Medium High

No.	Risk Dimension	Risk Name	Description of Impact on TSC	Potential Financial Impact	Time Horizon of Impact on Risk TSC	Risk Severity	Response Measures and Strategy
Transition Risk							
1	**Regulatory Policy**	**Increased Greenhouse Gas Emission Costs**	With the implementation of Taiwan's Climate Change Response Act and climate-related policies and regulations in various countries (such as carbon taxes/tariffs, emissions trading systems, and carbon pricing/fees), TSC's products may be required to pay carbon fees, carbon taxes, and carbon tariffs in the future, with related regulations likely to become stricter and fees/taxes likely to increase year by year.	Increased Costs	Short-term	🟡	• Adopt energy-efficient equipment • Develop innovative products • Adopt low-carbon/renewable energy; renewable energy usage accounted for approximately 42.70% of TSC's total energy consumption in 2025 • Raise employee awareness of carbon reduction
2	**Regulatory Policy**	**Increasing Sustainability-Related Requirements and Regulations**	According to Taiwan's published 2050 Net-Zero Emissions Pathway, energy transition is listed as one of the main strategies, actively promoting the maximization of renewable energy. In addition, Taiwan's Renewable Energy Development Act requires that customers with contracted electricity capacity of 5,000 kW or above must fulfill a 10% renewable energy obligation by 2025, prompting TSC to accelerate climate action, such as increasing the proportion of renewable energy, reducing product carbon footprints, and enhancing climate-related management.	Increased Costs	Short-term	🟡	• Improve product performance • Adopt low-carbon/renewable energy • Continuously optimize energy management • Enhance employees' knowledge and skills in carbon management
3	**Market**	**Changes in Customer Behavior**	In response to the global trend toward net-zero emissions and reducing environmental impact, customers are shifting to lower-carbon, lower-impact products, or requiring the Company to provide products/services with more transparent environmental information; if TSC fails to meet these requirements, there is a potential risk of losing customers.	Reduced Revenue	Medium-term	🟡	• Develop products/services that reduce environmental impact • Improve product performance • Use eco-friendly packaging materials
4	**Market**	**Increased Raw Material Costs**	In recent years, frequent extreme climate anomalies have destabilized raw material supply, increasing the difficulty of mining and transportation; factors such as natural disasters potentially blocking mining transport routes and high temperatures reducing productivity make raw material supply difficult to control, leading to shortages, increased transportation and logistics costs, and higher operational costs.	Increased Costs	Medium-term	🔵	• Monitor suppliers' focus on climate issues • Conduct supplier risk assessments, avoiding or reducing procurement from high-risk production regions
5	**Technology**	**Costs of Low-Carbon Technology Transition**	As international carbon reduction trends intensify, many companies are beginning to require their supply chains to adopt sustainability and low-carbon actions; TSC is gradually planning its transition, promoting carbon reduction technologies and equipment, which affects TSC's operating costs.	Increased Costs	Medium-term	🔵	• Invest in R&D for high-efficiency equipment and low-carbon technology • Actively cultivate talent for the low-carbon transition • Evaluate investments in low-carbon technology equipment
6	**Reputation**	**Increased Negative Stakeholder Feedback**	As attention to climate change issues continues to grow, stakeholders increasingly favor low-carbon companies or those making positive contributions to people and the environment; if TSC fails to take proactive measures and cannot meet stakeholder expectations, its corporate reputation may be damaged.	Reduced Funding	Long-term	🔵	• Strengthen climate change response and preparedness • Enhance appropriate disclosure of the Company's climate action information • Strengthen stakeholder communication

Low Medium High

No.	Risk Dimension	Risk Name	Description of Impact on TSC	Potential Financial Impact	Time Horizon of Impact on TSC	Risk Severity	Response Measures and Strategy
Physical Risk							
7	**Extreme Weather Events**	**Increased Extreme Weather Events – Typhoons**	Increased frequency and severity of typhoons will result in the following impacts: • Potential damage to power infrastructure, leading to partial regional outages and interruptions in operations or services. • Disruptions in the supply chain. • Rising insurance premiums for assets located in high-risk areas, thereby increasing operating costs.	Increased Costs	Medium-term		• Strengthen flood control, drainage facilities, and contingency measures at our production sites • Roll out and implement a business continuity plan (BCP) • Strengthen the emergency supply mechanism
8	**Extreme Weather Events**	**Increased Extreme Weather Events – Heavy Rainfall**	An increase in the frequency and volume of heavy rainfall may damage production sites, disrupt production, and impede transportation, preventing employees from reporting to work.	Reduced Revenue	Medium-term		• Strengthen flood control, drainage facilities, and contingency measures at our production sites • Roll out and implement a business continuity plan (BCP) • Strengthen the emergency supply mechanism
9	**Extreme Weather Events**	**Drought**	Drought may lead to water outages, water shortages causing increased water costs, and disruption of purchased water supplies, affecting process water at production sites and potentially disrupting business operations.	Increased Costs	Medium-term		• Implement water conservation measures • Develop water recycling plans to increase the use of reclaimed water
10	**Long-Term**	**Rising Average Temperature**	Globally, climate change-induced increases in the duration of high temperatures raise electricity demand and energy expenditure. At the same time, drought caused by high temperatures poses a risk of business disruption.	Increased Costs	Long-term		• Implement water conservation measures • Roll out and implement a business continuity plan (BCP) • Closely monitor electricity usage and coordinate timely dispatch

Note: Short-term refers to within 3 years, medium-term refers to 3–5 years, and long-term refers to more than 5 years.

Climate-Related Opportunities

Identification results show that "improving product energy efficiency," "using more efficient production and distribution processes," and "participating in renewable energy programs" are the top three opportunities.

No.	Opportunity Dimension	Opportunity	Implications for TSC	Potential Financial Impact	Time Horizon of Impact on TSC
1	**Products and Services**	**Improving Product Energy Efficiency**	Actively improve product energy efficiency to help customers and users reduce energy consumption and greenhouse gas emissions during product usage. In response to the emerging market for new energy vehicle chips and the flourishing 5G industry, TSC will continue to optimize product performance, expand its market, and enhance profitability.	Increased Revenue	Short-term
2	**Resource Use Efficiency**	**Using More Efficient Production and Distribution Processes**	By improving energy efficiency in production processes and logistics, and strengthening the management of materials, energy resources, and waste, energy resource consumption and carbon emissions are reduced, which also helps lower operating costs.	Reduced Costs	Medium-term
3	**Resilience**	**Participating in Renewable Energy Programs**	Increase the use of low-carbon energy and develop a diversified power supply to strengthen climate resilience; going forward, TSC will continue to advance its low-carbon energy transition through the installation and procurement of renewable energy.	Cost Change	Medium-term

Note: Short-term refers to within 3 years, medium-term refers to 3–5 years, and long-term refers to more than 5 years.

Climate Risk Impact Assessment and Scenario Analysis

TSC began conducting an inventory of climate change risks and opportunities in 2022, and from 2023 to 2025, performed quantitative financial impact analyses for two transition risks—"increased greenhouse gas emission costs" and "increasing sustainability-related regulations and requirements"—based on risk severity, likelihood of occurrence, and potential vulnerability. The analysis uses scenarios proposed by the International Energy Agency (IEA), namely the Net Zero Emissions by 2050 Scenario (NZE) and the Announced Pledges Scenario (APS), to understand the Company's impact under different conditions.

Transition Risk – Increased Greenhouse Gas Emission Costs

As policies such as the EU Carbon Border Adjustment Mechanism (CBAM), Taiwan's carbon fee system, and China's carbon trading system gradually take shape, TSC may face financial pressure in the future through the pass-through of energy, equipment, and material costs, regardless of whether it is directly subject to such levies. Based on the carbon fee scenario settings under the IEA's NZE and APS scenarios, TSC assesses aspects such as rising electricity prices, carbon tax/fee collection, carbon tariffs on exported products, and the pass-through of supply chain carbon costs.

Risk factor	Climate scenario	Scenario assumptions	2025 Carbon Fee Parameters (Unit: amount/ton CO_2e)	Scenario analysis factors	Potential financial impact
Transition Risk – Increased Greenhouse Gas Emission Costs	**Scenario 1:** Net Zero Emissions Scenario (NZE) – Net Zero Emissions by 2050 Scenario	The NZE scenario assumes that the global energy sector will achieve net-zero carbon emissions by 2050. Greenhouse gas emissions will decline year by year, with the global average temperature rise kept below 1.4℃ by 2100.	• Asia - Taiwan: NT$300 Tianjin, China: RMB34.30 Shandong, China: RMB45.61 **Reaching US$90 by 2030** • Europe - USD80.82 • United States - USD55 **Reaching US$140 by 2030**	• Carbon Tax/Fee Expenditure • Electricity Cost at Production Sites • Carbon Tariff Expenditure on Exported Products • Procurement Expenditure	In response to the financial impact of increased greenhouse gas emission costs, the annual impact is estimated to range from approximately 0% to 5% of total revenue. The primary impacts arise from: 1. If Scope 1+2 emissions at production sites exceed statutory limits, carbon fees must be paid: Based on projections of production capacity, electricity usage, and other factors at TSC's four production sites in Taiwan and Mainland China before 2030, if future Scope 1+2 emissions exceed statutory limits, TSC may cross the threshold for carbon fee payment, resulting in increased emission costs. 2. Purchased energy is subject to carbon tax/fee pass-through: Power generators in the regions where production sites are located face carbon fees, passing generation costs onto electricity bills, thereby increasing TSC's purchased electricity costs. 3. Exported products are subject to carbon tariff impacts: TSC's products exported to countries implementing carbon tariffs may incur increased costs due to such tariffs. 4. Material procurement is subject to tax/fee pass-through: Upstream equipment or raw material suppliers facing rising carbon prices may see increased production costs, which may then be passed on to TSC, resulting in higher procurement costs for TSC.
	Scenario 2: Announced Pledges Scenario (APS)	The APS scenario assumes that all greenhouse gas reduction and net-zero targets announced by governments worldwide are fully achieved on schedule. Greenhouse gas emissions will peak in the mid-2020s, with the global average temperature rising by 1.7℃ by 2100.	• Asia - Taiwan: NT$300 Tianjin, China: RMB34.30 Shandong, China: RMB45.61 **Reaching US$40 by 2030** • Europe - USD80.82 • United States - USD55 **Reaching US$135 by 2030**		

Transition Risk – Increasing Sustainability-Related Requirements and Regulations

As international initiatives such as RE100, supply chain carbon disclosure requirements, and industry net-zero policies become increasingly stringent, external expectations for corporate renewable energy use and carbon footprint disclosure have significantly increased. TSC assesses that if it maintains its current renewable energy usage plan, it will be unable to meet industry benchmark carbon emission limits in the future, potentially facing operational risks and market competitive pressure. As both policy and market pressures intensify simultaneously, TSC will need not only to increase the proportion of renewable electricity used, but also to introduce digital carbon management and product-stage carbon inventories to support customer questionnaires, evaluations, and labeling requirements.

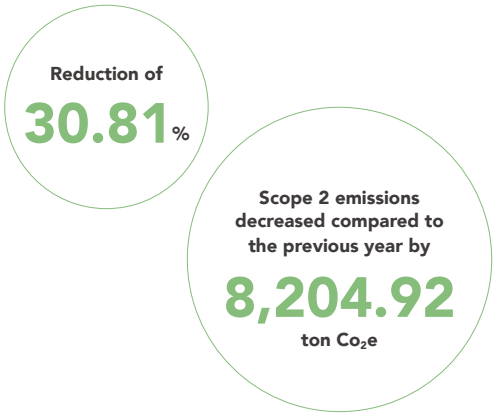
In response to this risk, TSC has begun renewable energy usage planning while also expanding carbon inventory and product carbon footprint management systems such as ISO 14064 and ISO 14067, to enhance carbon information transparency and compliance capability, ensuring the ability to respond to increasing carbon reduction demands from external stakeholders.

In 2024, TSC also conducted scenario simulations and financial impact forecasts regarding renewable energy demand at its Taiwan and Mainland China sites. Based on the net-zero target settings under the IEA's NZE and APS scenarios, TSC assessed the potential financial impacts on its Taiwan and Mainland China sites arising from increasing renewable energy demand and carbon reduction regulations:

Risk factor	Climate scenario	Scenario assumptions	Potential financial impact
Transition Risk – Increasing Sustainability-Related Requirements and Regulations	**Scenario 1:** IEA APS – Compliance with Industry Regulatory Initiatives	**2030** • The Nationally Determined Contributions (NDCs) and long-term net-zero targets pledged by governments worldwide will be fully achieved on schedule, limiting temperature rise to 1.7℃ . • TSC faces industry carbon reduction regulations and reduces emissions in compliance with these requirements.	Amid increasingly stringent sustainability regulations and the trend of international customers' low-carbon procurement, if TSC fails to effectively enhance its renewable energy usage and information disclosure capabilities, it may face rising operating costs, increased pressure from cost pass-through on the procurement and production sides, and the risk of losing market share due to failure to meet customer carbon emission thresholds, posing potential challenges to the Company's financial stability and mid-to-long-term competitiveness.
	Scenario 2: IEA NZE RE100	**2030** • Assumes the global energy sector will achieve net-zero CO_2 emissions by 2050, with all countries cooperating to achieve global net-zero emissions, limiting temperature rise to 1.5℃ . • TSC faces industry carbon reduction regulations and the high-intensity RE100 initiative, reducing emissions to comply with customer, policy, and industry requirements.	

Climate Change Risk Metrics and Targets

In response to the impacts and challenges of climate change, TSC follows Taiwan's 2050 Net-Zero Emissions target, actively aligns with government policy, and is committed to reducing the climate impact and risks of its operations. The Company continues to advance multiple energy-saving and carbon-reduction initiatives; Taiwan sites achieve an annual electricity savings rate exceeding 1%, surpassing regulatory requirements, and strengthen operational resilience and energy efficiency through measures such as adopting energy-saving equipment, optimizing processes, and establishing ISO-related management systems. TSC also conducts greenhouse gas inventories in accordance with the ISO 14064-1 standard; in 2025, Scope 2 greenhouse gas emissions showed a declining trend compared to the previous year. Notably, due to the substantial increase in renewable energy usage, **Scope 2 emissions decreased by 8,204.92 metric tons CO_2e compared to the previous year, a reduction of 30.81%.**



Strategy	Implementation Details	Implementation Results in 2025
Promoting Energy-Saving Projects	Continue to implement equipment improvements and energy management through regular equipment health checks, replacing old energy-consuming equipment with new energy-efficient equipment to enhance carbon reduction effectiveness. For related content, please refer to "5.2 Energy Resource Management."	**All sites completed multiple energy-consuming equipment carbon reduction projects throughout the year, including equipment replacement and energy efficiency improvements, reducing energy consumption by 261,119.96 GJ compared to the previous year, with electricity as the primary energy type.**
Developing Renewable Energy	Formulate renewable energy usage plans based on the concepts of energy conservation, energy generation, and energy storage, prioritizing rooftop solar panel installations at TSC's own sites, followed by the purchase of green electricity.	**Renewable energy usage accounted for 42.70% of total electricity consumption, primarily supplied by the Shandong and Tianjin Sites.**
Establishing Comprehensive Management Systems	Implementing and expanding management systems such as ISO 14064 and ISO 14067. For related content, please refer to "5.1.2 Greenhouse Gas Emissions and Management."	**Obtained ISO 14064 certification; the Li-Je, Shandong, and Tianjin Sites expanded their inventory scope to Categories 3 through 6; implemented ISO 14067 product carbon footprint**

5.1.2 Greenhouse Gas Emissions and Management

GRI 305-1 305-2 305-3 305-5 TC-SC-110a.1 TC-SC-110a.2

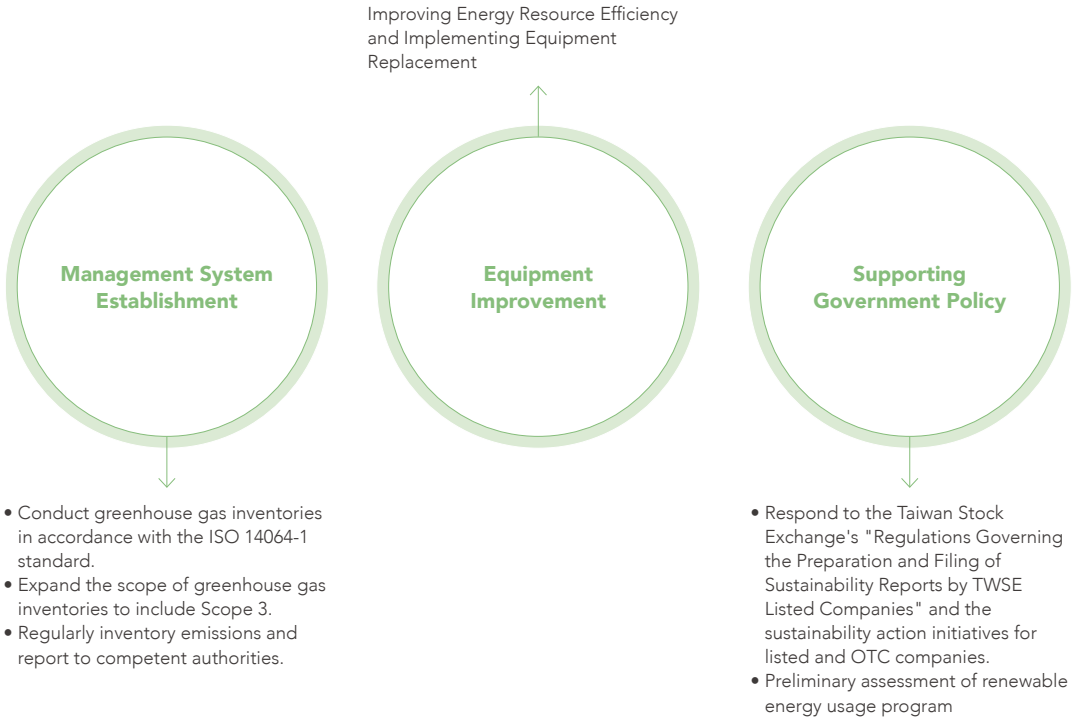
TSC is committed to continuously enhancing energy and resource use efficiency, avoiding excessive consumption that depletes natural resources, and protecting the living environment for future generations. In addition to continuously expanding greenhouse gas inventories and obtaining third-party verification, TSC is also developing alternative energy solutions, implementing equipment replacement through various energy-saving projects, and continuously strengthening water resource management measures, aiming to reduce environmental impact through these actions.

Coverage Rate of Production Sites Certified under Environmental Sustainability-Related ISO Management System Standards

Certification Standard	Coverage[*1]	Verification body
ISO 14001 Environmental Management System	100%[*2]	TUV
ISO 50001 Energy Management System	25%	TUV
ISO 14064-1: 2018 Greenhouse Gas Inventory Standard	50%	TUV

Note:
1. Coverage rate is calculated as the number of certified sites / total number of sites.
2. ISO 14001 Environmental Management System certification validity period: I-lan Site and Li-Je Site, August 11, 2024 to August 10, 2027; Tianjin Site, June 17, 2025 to June 20, 2028; Shandong Site, November 10, 2024 to November 9, 2027.
3. ISO 50001 Energy Management System certification validity period: Li-Je Site, December 21, 2023 to December 20, 2026.

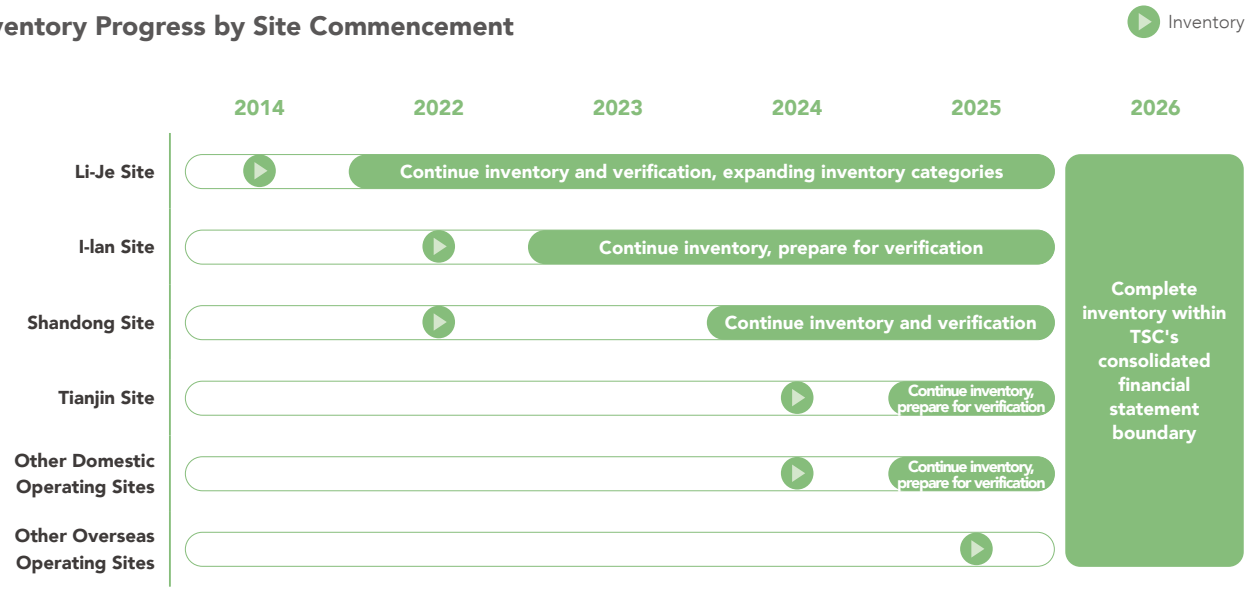
We follow the ISO 14064-1:2018 standard to conduct direct and indirect greenhouse gas inventories, and regularly report to competent authorities in accordance with regulatory requirements. In addition, in response to government policy, renewable energy targets are progressively developed, and greenhouse gas emissions are reduced through various greenhouse gas reduction programs and renewable energy deployment.



Greenhouse Gas Inventory

TSC has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 standard, and in response to the competent authority's sustainability action plan for listed and OTC companies, has incorporated inventory progress into regular Board reporting items. Since carbon emissions are primarily generated at production sites, the inventory initiative was first launched at each site; TSC has completed its 2025 individual greenhouse gas inventory and plans to complete a comprehensive inventory within the consolidated financial statement boundary in 2026, covering production sites in Taiwan and China as well as other overseas business locations. In addition, we continue to expand the inventory categories, aiming to understand the organization's carbon emission hotspots and further formulate more precise greenhouse gas reduction targets. In 2025, TSC's primary carbon emissions were mainly from Category 2 (purchased electricity), with **Category 2 greenhouse gas emissions showing a declining trend**, primarily due to the increased use of renewable energy in 2025, which **accounted for 42.70% of total electricity consumption.**

Inventory Progress by Site Commencement



2025 Greenhouse Gas Emissions Statistics

Unit: tCO_2e

Category	Emission Source	GHG Types	Emissions	Total
Li-Je Site				
Category 1	Stationary combustion	CO_2, CH_4 and N_2O	0.6430	10,763.5109
	Mobile combustion	CO_2, CH_4 and N_2O	5.2554	
	Process Emissions	PFCs, HFCs, N_2O, SF_6 and NF_3	10,725.9963	
	Fugitive Emissions	HFCs, CO_2, CH_4	31.6162	
Category 2	Purchased Electricity	CO_2	9,929.9008	9,929.9008
Categories 3–6	Transportation Emissions (Category 3), Emissions from Products Used by the Organization (Category 4)	CO_2	4,802.8015	4,802.8015
I-lan Site				
Category 1	Stationary Combustion	None	0.0000	67.2652
	Mobile combustion	CO_2, CH_4, N_2O	0.3833	
	Process Emissions	None	0.0000	
	Fugitive Emissions	HFCs, CO_2, CH_4	66.8819	
Category 2	Purchased Electricity	CO_2	3,730.1571	3,730.1571
Categories 3–6	Not yet inventoried			
Shandong Site				
Category 1	Stationary Combustion	CO_2, CH_4, N_2O	0.0402	1,971.2014
	Mobile combustion	CO_2, CH_4, N_2O	15.658	
	Process Emissions	HFCs, CH_4	0.0800	
	Fugitive Emissions	HFCs, CH_4	1955.4232	
Category 2	Purchased Electricity	CO_2	1,291.0216	1,291.0216
Categories 3–6	Transportation Emissions (Category 3), Emissions from Products Used by the Organization (Category 4)	CO_2	11,903.4300	11,903.4300

Unit: tCO_2e

Category	Emission Source	GHG Types	Emissions	Total
Tianjin Site				
Category 1	Stationary Combustion	CO_2, CH_4 and N_2O	0.0000	910.5109
	Mobile combustion	CO_2, CH_4 and N_2O	0.0072	
	Process Emissions	VOCs	0.0000	
	Fugitive Emissions	HFCs, CH_4	910.5037	
Category 2	Purchased Electricity	CO_2	3,361.8240	3,361.8240
Categories 3–6	Transportation Emissions (Category 3), Emissions from Products Used by the Organization (Category 4)	CO_2	4,150.4980	4,150.4980
Headquarters and Hsinchu Office				
Category 1	Stationary Combustion	None	0.0000	3.6249
	Mobile combustion	CO_2, CH_4 and N_2O	2.5648	
	Process Emissions	None	0.0000	
	Fugitive Emissions	HFCs, CH_4	1.0601	
Category 2	Purchased Electricity	CO_2	111.5382	111.5382
Categories 3–6	Not yet inventoried			

Historical Greenhouse Gas Emissions

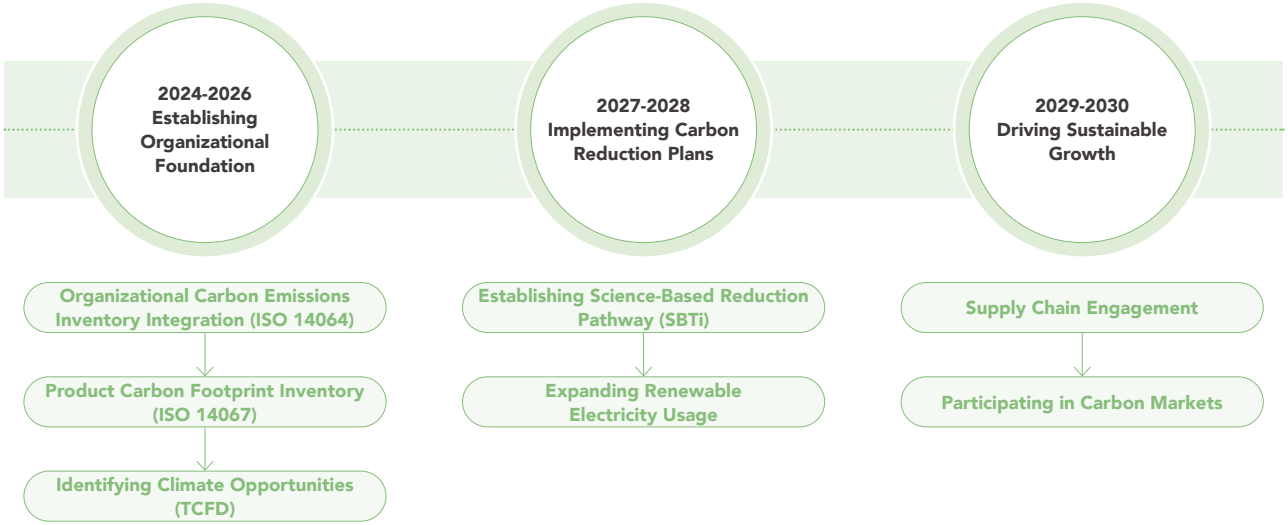
Unit: tCO_2e

		2023	2024	2025
TSC Total				
Direct Emissions	Category 1	4,742.84	7,646.82	13,716.05
Energy Indirect Emissions	Category 2 (Market-Based)	-	-	20,562.90
	Category 2 (Location-Based)	37,251.39	26,629.36	44,616.44
Total Emissions (Category 1 + 2) (A)	(Market-Based)	-	-	34,278.95
	(Location-Based)	41,994.22	34,276.18	58,332.49
Emission Intensity Denominator (Revenue in NT$ million) (B)		14,616	14,829	17,954
Emission Intensity (A/B)	(Market-Based)	-	-	1.91
	(Location-Based)	2.87	2.31	3.25
Other Indirect Emissions	Category 3	4,733.07	5,807.69	6,661.12
	Category 4	11,022.35	14,368.49	14,195.612
	Category 5	-	-	-
	Category 6	-	-	-
Total Category 3–6 Emissions		15,755.42	20,176.18	20,856.732

Note:
1. Greenhouse gases include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).
2. Other indirect emissions in 2023 include only the Li-Je and Shandong Sites; from 2024 to 2025, other indirect emissions include the Li-Je, Shandong, and Tianjin Sites.
3. Greenhouse gas inventory data is aggregated using the operational control approach. Taiwan sites are calculated using the 2025 electricity carbon emission factor; the GWP values for the Li-Je Site, I-lan Site, headquarters, and Hsinchu Office all reference IPCC AR6 coefficients. Mainland China sites are calculated using the 2012 North China Regional Grid emission factor, with GWP values based on IPCC AR6 coefficients.
4. Total greenhouse gas emissions include Category 1 and 2 totals for all production sites, headquarters, and the Hsinchu Office, excluding other overseas business locations not yet inventoried.
5. As the greenhouse gas inventory scope was expanded in 2024, the base year for statistical calculations herein has been adjusted to 2024.
6. There were no CO_2 emissions from biomass combustion or biodegradation in 2025.
7. The Li-Je Site is designated by the Ministry of Environment as a greenhouse gas emission source subject to mandatory inventory registration and verification; accordingly, in accordance with the Ministry of Environment's Greenhouse Gas Emissions Inventory Guidelines, GWP values from the IPCC AR5 Assessment Report were also used to calculate emissions, with inventory results showing total Category 1 emissions of 10,168.8239 tCO_2e and total Category 2 emissions of 10,100.3712 tCO_2e.

Carbon Management Strategy

Carbon Management Strategy Map



Based on its carbon management strategy map, TSC's short-term goal is to establish an organizational foundation, including refining greenhouse gas inventories and initiating product carbon footprint calculations under the ISO 14067 framework. At the same time, using 2024 as the base year, we advance carbon reduction targets through short-, medium-, and long-term strategies, aiming for a 20% reduction in Category 1 and 2 emissions by 2030, and achieving net-zero emissions by 2050. Based on short-, medium-, and long-term carbon reduction strategies, TSC strengthens site-level energy conservation and begins using renewable electricity, including: promoting energy-saving projects, developing renewable energy, establishing comprehensive management systems, and implementing digital management systems. Through multiple energy-saving and carbon-reduction measures, TSC aims to progressively replace old equipment at production sites with high-efficiency processing equipment, continuously optimizing energy efficiency, while gradually advancing energy transition through the installation of renewable energy equipment such as on-site solar power systems.

For Scope 1 direct emissions reduction, TSC plans to progressively advance source management and equipment upgrade strategies to control emission intensity and mitigate direct carbon emissions from business operations. In 2025, Scope 2 greenhouse gas emissions showed a declining trend compared to the previous year, primarily due to increased renewable energy use, resulting in a decrease of **8,204.92 tCO_2e, a reduction of approximately 30.81%**; the gas type was entirely carbon dioxide.

Promoting Energy-Saving Projects

- Carbon reduction of energy-consuming equipment and chiller energy savings at each site
- Replacing old equipment to improve energy efficiency
- Multiple energy-saving projects were completed in 2025, reducing energy consumption by **261,119.96 GJ** compared to the previous year, equivalent to a reduction of **30,754.13 metric tons CO_2e**
- Continuing to improve carbon reduction effectiveness through regular equipment health checks

Developing Renewable Energy

- Green electricity usage accounted for 42.70% of total electricity consumption in 2025
- Formulating renewable energy usage plans based on the concepts of energy conservation, generation, and storage, evaluating options such as rooftop solar panel installation at TSC's own sites and the purchase of green electricity

Establishing Comprehensive Management Systems

- Li-Je Site completed implementation of the ISO 50001 Energy Management System
- ISO 14064-1:2018 Greenhouse Gas Inventory (Categories 1 and 2, plus partial Categories 3 to 6)
- Continuously updating ISO management systems and regularly passing third-party verification
- Completed the ISO 14067 product carbon footprint project in 2024

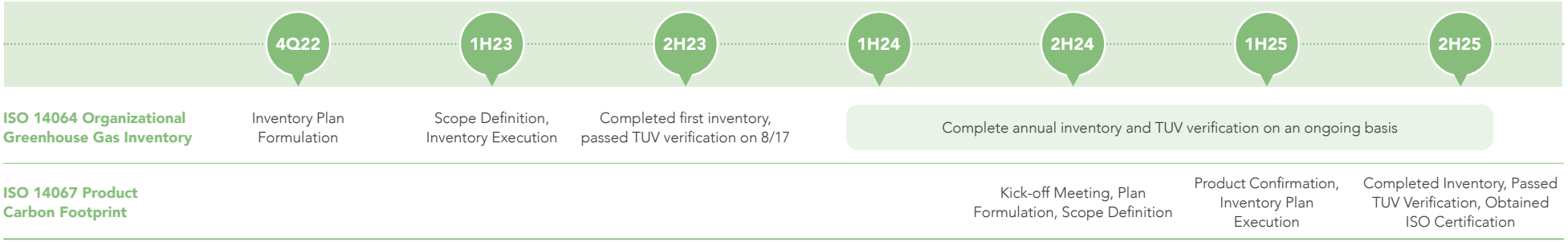
Implementing Digital Management Systems

- Evaluating smart carbon management solutions, with headquarters consolidating carbon emissions data from all sites, replacing manual input with digital technology to improve data quality
- Intelligent monitoring and management of energy resources, with real-time data collection to facilitate analysis and forecasting

Product Carbon Footprint Implementation Project

ISO14064 & 14067 ROADMAP

- Starting Q4 2024, the product carbon footprint implementation plan was fully launched
- Q1 2025: Scope definition and product-specific analysis, execution of product carbon footprint (CFP) life-cycle inventory analysis
- Q4 2025: Completed ISO 14067 product carbon footprint and obtained TUV verification (YEW)
- H1 2026: Continue to complete carbon footprint inventory for flagship products



To further identify major carbon emission sources at the source and strengthen product competitiveness, TSC fully launched its product carbon footprint implementation project in 2024, aiming to optimize energy and material usage by calculating emissions across raw materials, transportation, and manufacturing, thereby advancing green product innovation and sustainability. Starting in 2025, product-specific analysis and life-cycle inventory analysis have been progressively completed, and third-party verification has been completed and passed.

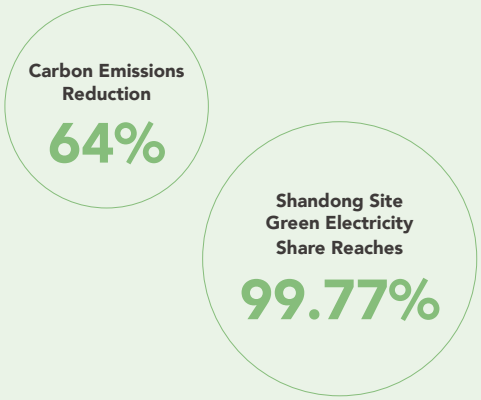
Enhancing Green Competitiveness: ISO 14067 Product Carbon Footprint Inventory Implemented for 24 Product Categories

To enhance the transparency of product environmental information, we launched the ISO 14067 product carbon footprint inventory in March 2025. By quantifying greenhouse gas emissions across various stages of different products, from "cradle to gate," and commissioning TUV to conduct assurance review, formal certification was obtained in October of the same year.

The inventory results show that emissions from the manufacturing stage account for only approximately 1% of the Company's total product carbon footprint, placing it at an advanced level within the industry. This not only affirms the high efficiency and low-carbon nature of internal processes, but will also serve as a basis for identifying further carbon reduction directions, advancing supply chain decarbonization, and reducing the life-cycle carbon footprint.

New Milestone in Low-Carbon Transition: Shandong Site's Green Electricity Share Reaches 99.77%, Carbon Emissions Reduced by 64%

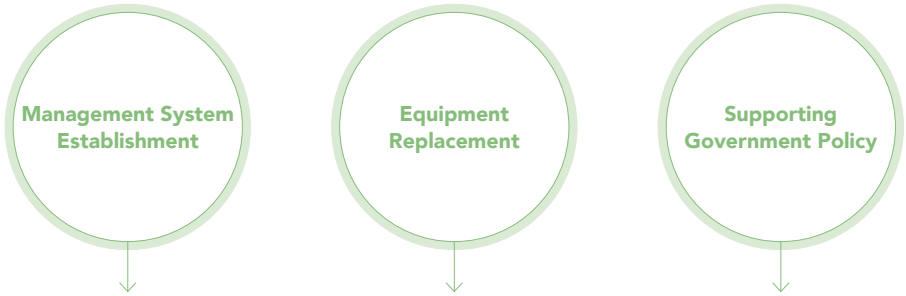
We increased corporate green electricity usage and implemented energy-saving and carbon-reduction actions; in 2025, the Shandong Site's green electricity usage reached 24.134 million kWh, accounting for **99.77%** of total electricity consumption. Despite revenue growth of 1.53%, total electricity consumption **decreased by 5.14%** through energy optimization. Compared to the base year (2022), **2025 carbon emissions decreased substantially by 64%, and also decreased by 32% compared to 2024,** demonstrating significant low-carbon performance; TSC will further pursue the goal of 100% green electricity usage and conduct carbon emissions accounting under the GHG Protocol.



5.2 Energy Resource Management

GRI 302-1 302-3 302-4 TC-SC-130a.1

TSC is committed to improving energy efficiency and accurately tracking electricity and other energy consumption; Taiwan sites have set a target of at least 1% annual electricity savings. Each site currently formulates its own environmental and energy-saving plans based on its energy usage patterns, inspecting relatively energy-intensive equipment and replacing it with new energy-saving equipment, continuously updating energy-consuming equipment. Since 2023, the Li-Je Site has progressively implemented and obtained certification for the ISO 50001 Energy Management System; the Shandong Site is also continuing to prepare and plan for system implementation, aiming to establish a PDCA (Plan-Do-Check-Action) mechanism and related management methods, identifying energy consumption hotspots through data analysis in monitoring and metering energy use, and improving energy efficiency.



Energy Mix

Energy used at TSC's production sites includes electricity and fuels such as diesel and gasoline; in 2025, electricity accounted for the majority of energy consumption at 99.81%, with the Shandong and Tianjin Sites already using renewable energy, **accounting for 42.88% of total electricity consumption.** The remaining fuel is primarily used for on-site emergency generators, forklifts, and other equipment; the Shandong Site has in recent years replaced all diesel forklifts on-site with electric forklifts, estimated to reduce diesel consumption by 1.5 metric tons annually.

Renewable Energy Consumption as a Percentage of Total Electricity Consumption

42.88%

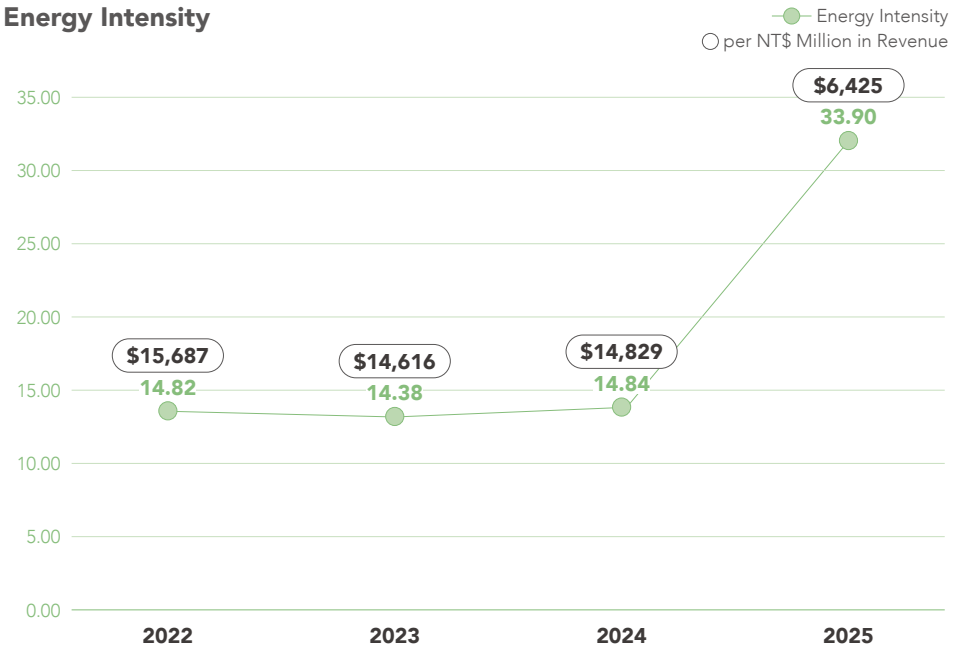
Energy Consumption

Unit: GJ

		2023	2024	2025
Non-Renewable Energy	Imported Natural Gas	0	0	0
	Liquefied Petroleum Gas	1.52	1.26	0.64
	Diesel	143.75	92.12	80.84
	Gasoline	236.03	290.53	333.99
	Purchased Electricity	209,759.41	169,497.21	123,991.48
Renewable Energy	Purchased Electricity	0	50,108.40	93,391.20
Total Organizational Energy Consumption		210,140.70	219,989.52	217,798.14
Purchased Electricity as a Percentage of Total Energy Consumption (%)		99.82%	99.83%	99.81%
Renewable Energy Usage Ratio (%)		0%	22.78%	42.88%

Note:
1. Gasoline is not differentiated by octane rating.
2. Conversion factors are based on the "Energy Product Unit Calorific Value Table" published in the Energy Statistics Handbook 2024 by the Bureau of Energy, Ministry of Economic Affairs: Liquefied Petroleum Gas 10,832 kcal/kg (1 kg LPG = 0.0454 GJ), Diesel 8,629 kcal/L (1 L diesel = 0.0361 GJ), Gasoline 7,520 kcal/L (1 L gasoline = 0.0315 GJ), Electricity 860 kcal/kWh (1 kWh = 0.0036 GJ).
3. The above figures are rounded to two decimal places.
4. There is no heating, cooling, or steam consumption, nor any sold electricity, heating, cooling, or steam.
5. In 2025, total non-renewable energy consumption was 124,406.94 GJ, and total renewable energy consumption was 93,391.20 GJ, with renewable energy accounting for 42.88% of total energy consumption.

Energy Intensity



Note:
1. Energy Intensity = Internal Organizational Energy Consumption (GJ) / Consolidated Revenue (NT$ million)
2. Revenue is sourced from consolidated financial statements; energy category totals include both renewable and non-renewable energy, covering fuel and electricity.
3. The calculation basis for energy intensity differs by year; for 2025, the denominator was changed to consolidated revenue (NT$ million) excluding specific subsidiaries.

2025 Renewable Energy Usage

TSC carefully reviews international renewable electricity-related regulations, policies, prices, costs, and market trends, progressively seeking alternative energy solutions and formulating a long-term renewable energy development strategy. In 2025, TSC's Shandong and Tianjin Sites achieved **total renewable energy usage of 93,391.20 GJ** through the purchase of renewable energy certificates, power wheeling, and other methods, accounting for 42.88% of TSC's total energy consumption in 2025. Other sites and locations will continue to evaluate renewable energy usage options, taking concrete action to reduce greenhouse gas emissions and lessen the environmental impact of production activities.

2025 Energy-Saving Improvement Plans and Implementation Results (Compared to 2024)

Since electricity constitutes the majority of TSC's energy consumption, its energy-saving projects primarily target electricity reduction, including improving cooling tower heat dissipation and chiller power, upgrading lighting equipment, and replacing air conditioning equipment, in order to achieve energy conservation and carbon reduction goals. In total, in 2025, TSC advanced various energy-saving projects in accordance with the ISO 50001 Energy Management System, including equipment replacement and energy efficiency improvement projects, **reducing energy consumption by 261,119.96 GJ compared to the previous year, equivalent to a reduction of 30,754.13 metric tons of CO_2e emissions.**

Energy consumption decreased compared to the previous year by
261,119.96 GJ

A reduction of
30,754.13
ton CO_2

2025 Energy-Saving Improvement Plans and Implementation Results

Implementing an Air Compressor Replacement Project to Continuously Drive Annual Electricity Savings and Low-Carbon Operations – I-lan Site

In 2025, the I-lan Site implemented the "Air Compressor Replacement Energy-Saving Improvement Project," replacing a 75kW screw-type air compressor (Fusheng #A) that had been in use for approximately 9 years. Due to the compressor's long operating lifespan, motor efficiency below IE2 grade, and the effects of mechanical wear, air supply efficiency had gradually declined. To improve the operating efficiency of the compressed air system and reduce energy consumption, a Hitachi 100kW (#C) high-efficiency variable-frequency screw air compressor was introduced in 2025 to replace the existing low-efficiency equipment.



Following this replacement, the new unit's motor meets the IE3 high-efficiency standard and holds a Tier 1 energy efficiency rating. Although the new unit's rated power is higher than that of the original equipment, its specific power performance surpasses that of the old unit, effectively reducing energy consumption per unit of air supply at the same output volume, thereby lowering overall electricity usage.

It is estimated that the old unit's energy consumption before improvement was 6.637 kW/CMM, with estimated annual electricity consumption of approximately 907,051 kWh; after improvement, the new unit's energy consumption decreased to 6.410 kW/CMM, with estimated annual electricity consumption of approximately 875,990 kWh. Based on this calculation, the project can save approximately 31,061 kWh of electricity annually, equivalent to an energy savings of approximately 111.82 GJ.

In addition, to implement corporate sustainability and environmental management goals, we expect to launch the "Chiller Efficiency Improvement Electricity-Saving Project" in 2026. This project centers on systematic operational optimization, precisely reviewing the chiller's load efficiency and operating patterns through operational data collection and system load analysis. Based on actual production line needs, we flexibly adjust chilled water outlet temperature, main unit operating strategy, and control parameters, effectively improving the overall system's coefficient of performance (COP) and reducing energy consumption at the source.

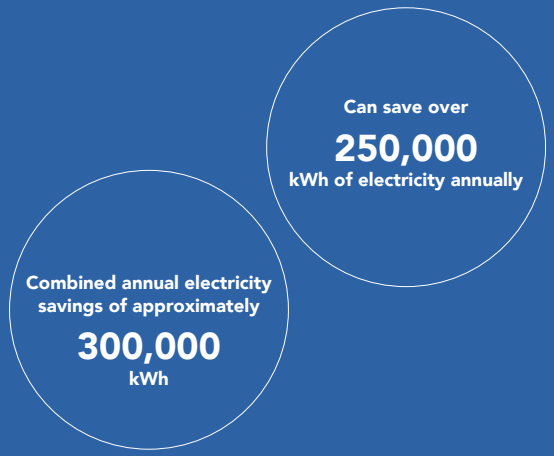
Through the establishment of a comprehensive equipment monitoring mechanism, operating efficiency and energy consumption trends are continuously tracked via the existing energy monitoring system, ensuring equipment remains in optimal operating condition. The proposal was developed in 2025, with a trial run of the magnetic levitation chiller scheduled for May 2026; the trial period will last 2 weeks, followed by actual commissioning upon acceptance. Based on assessment, this operational optimization and management improvement is expected to reduce overall annual electricity usage by approximately 5%, exceeding the expected annual electricity savings target of 1%, and substantially reducing carbon emissions during operations.

Going forward, we will continue to advance the integration and centralized management of the production line's Process Vacuum (PV) system, further improving the operational efficiency of facility equipment through a systematic monitoring and energy management platform, and continuing to promote energy-saving improvement projects to progressively achieve the Company's energy conservation, carbon reduction, and sustainable development goals.

Implementing Magnetic Levitation Air Conditioning System, Saving 250,000 kWh Annually – Shandong Site

We are actively implementing energy conservation and carbon reduction; in February 2025, we launched the "Magnetic Levitation Air Conditioning Chiller Energy-Saving Project," procuring industry-leading magnetic levitation air conditioning units to replace the original conventional units. Since the system went into operation, it has not only significantly improved cooling energy efficiency and achieved stable output, but also demonstrated energy-saving effects.

Cooling energy efficiency improved from COP 3.5 for the original unit to COP 5.0 for the magnetic levitation unit, representing a 15% improvement in cooling efficiency with the new unit; it is expected to **save over 250,000 kWh of electricity annually, achieving a combined annual electricity savings of approximately 300,000 kWh.** Going forward, we will establish a systematic management mechanism to continuously assess and optimize energy consumption across the entire site, advancing toward energy-saving goals through technological upgrades and strengthening the Company's green operational resilience.



New Benchmark in Green Manufacturing: Obtaining "Shandong Provincial Green Factory" Certification – Shandong Site

We are committed to building a low-carbon production system and fulfilling our commitment to environmental sustainability. In 2025, the EHS team strictly implemented official certification standards to conduct self-assessment and improvement for "Green Factory" status, subsequently applying for and passing evaluations at both the Binzhou municipal and Shandong provincial levels. In September of the same year, the site successfully passed review by the expert panel of the Shandong Provincial Department of Industry and Information Technology, and was formally approved for "Shandong Provincial Green Factory" certification in October.

This certification recognizes our outstanding performance in energy conservation, resource circulation, and environmental management. We will continue to optimize our green processes, refine energy efficiency, and actively pursue **"National Green Factory"** certification, taking concrete action

toward net-zero production and strengthening our sustainable competitiveness.



Lighting Energy Savings – Li-Je Site

To actively promote the concept of sustainable operations, the Li-Je Site's Facilities Department implemented a lighting energy-saving project in 2024, putting energy management and carbon reduction goals into concrete action. This project focused on improving the energy efficiency of site lighting equipment, with specific actions including:

1. Conducting a comprehensive inventory of site lighting equipment to ensure concrete implementation of the improvement plan.
2. Replacing traditional high-energy-consuming mercury lamps with LED lighting across the site, improving energy efficiency.
3. Reducing the use of mercury lamps, lowering energy consumption and environmental impact, and achieving energy-saving and carbon-reduction benefits.

Through this project, TSC not only optimized site energy efficiency but also demonstrated its concrete commitment to environmental sustainability, continuing efforts to build a more energy-efficient, low-carbon operating model. Going forward, lighting energy savings will continue, with further evaluation of replacing lighting with LED tubes in cleanrooms and office areas, and promoting measures such as nighttime site lighting management and turning off lights in facility rooms when not in use, to comply with energy-saving requirements.

Implementation Results

Lighting equipment replaced from mercury lamps to LED lights, achieving annual electricity savings of 26,460 kWh, with an average energy savings of 70%

Air Conditioning System Energy-Saving Plan: Ensuring Optimal Equipment Operating Efficiency – Li-Je Site

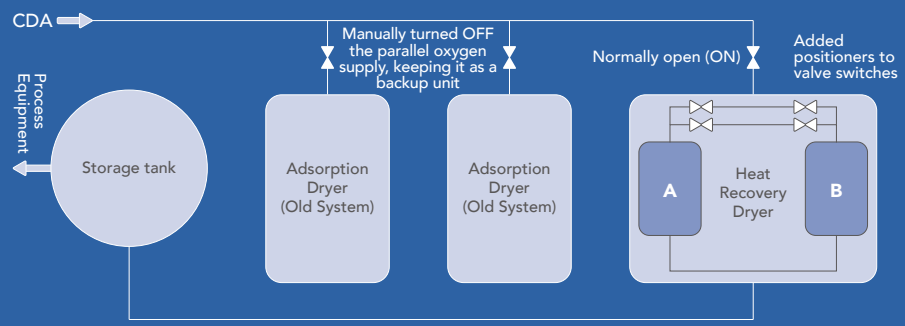
In 2024, the Li-Je Site implemented multiple air conditioning system energy-saving improvement plans, including strengthening the operation of the warehouse chilled water system and improving Process Cooling Water (PCW) piping, continuously inventorying piping across systems through enhanced inspection mechanisms to ensure equipment shutdown and operating efficiency are optimized, reducing both electricity costs and unnecessary energy consumption.

Implementation Results

- **Reduced unused power fluid piping in the large warehouse and reduced chilled water flow for the large warehouse's air conditioning system, achieving reduced chilled water usage, with actual electricity savings reaching 24,854 kWh.**
- **Investigated the causes of the high operating frequency of the on-site PCW pump, modified the 6" PCW piping, added a heat exchanger and backup pump, and reduced 6" PCW piping losses and flow distribution methods, achieving energy reduction for the PCW pump. Actual electricity savings totaled 66,586 kWh.**

CDA Dryer System Energy Optimization – Li-Je Site

To improve the energy efficiency of the compressed air system and reduce the risk of abnormal air supply interruptions, the Li-Je Site conducted energy optimization for its CDA (Clean Dry Air) dryer in 2024, reducing power consumption through equipment adjustments and control strategy improvements.



Implementation Results

- **Optimized the pneumatic valve control mechanism by adding positioners to ensure accurate positioning during valve switching; the second valve position is only closed after the first is fully open, ensuring stable operation and reducing energy waste.**
- **Equipment air consumption decreased significantly, with annual electricity consumption reduced from 360,555 kWh to 88,369 kWh, an estimated annual electricity savings of 272,186 kWh.**

5.3 Water Stewardship

Material Topics Water Stewardship – Poor Water Stewardship

Policy and Commitment

- Comply with local water resource management regulations, aiming to improve water use efficiency, implementing monitoring and record-keeping, and progressively strengthening water resource risk management and analysis. Implement water conservation management mechanisms and target setting at sites with higher risk levels.
- Commit to ensuring all discharged wastewater complies with local regulations and effluent quality standards.

Management Approach and Evaluation Mechanism

- Regularly assess water resource risk status at each site using the WRI Aqueduct water risk platform, and manage sites by risk tier.
- Sites with a water risk level of medium or above are required to establish a comprehensive water resource management system, including: water usage monitoring, reclaimed water utilization, water source diversification strategies, and anomaly response plans.
- All sites have implemented and enforce the ISO 14001 Environmental Management System, continuously strengthening water resource management through internal audits and external verification.
- Each site has established wastewater management operating procedures and discharge monitoring mechanisms, regularly testing water quality parameters and reporting to competent authorities in accordance with local regulations.

Action Plans and Performance

- **TSC's 2025 CDP Water Security rating was C (Awareness).**
- **Two violations of the Water Pollution Control Act occurred in 2025; investigations have been conducted to understand the causes of non-compliant water quality sampling, and improvements, management, and personnel training will continue to be strengthened.**

5.3.1 Water Usage Management GRI 3-3 303-1 303-3 303-4 303-5 TC-SC-140a.1

Water Resource Management Policy and Targets

In recent years, international attention to water resource management has increased significantly; as a member of the semiconductor industry, TSC is well aware of the potential operational risks posed by climate change and water scarcity. To ensure water use aligns with environmental sustainability and economic efficiency, and to reduce water-related operational risks, TSC continues to strengthen water resource management measures at each site, establishing water resource management targets based on the water resource conditions and regulatory requirements of each operating location. The target-setting process primarily considers the following factors:

- Local water supply stability and water stress conditions;
- Government water-related regulations;
- The Company's internal water use efficiency and historical data.

TSC continuously tracks water usage and water resource management performance at each site through water withdrawal monitoring and water quality management, with ISO 14001 Environmental Management System verification ensuring water resource management practices are institutionalized and continuously improved; TSC continues to comply with local water resource and wastewater discharge regulations to avoid operational risks. TSC continuously tracks water usage and water resource management performance at each site through water withdrawal monitoring and water quality management, combined with ISO 14001 Environmental Management System verification, advancing the institutionalization and continuous improvement of water resource management practices. At the same time, the Company continues to comply with local water resource and wastewater discharge regulations, implementing wastewater management and pollution prevention to avoid operational risks and improve water use efficiency.

Both the I-lan Site and Li-Je Site are located in the I-lan region, where water resources are relatively stable, with abundant year-round rainfall and no current risk of water shortage. The Tianjin Site does not use groundwater and has not experienced water restrictions or supply interruptions, thereby maintaining stable water supply and enforcing wastewater discharge management; the Shandong Site is classified as an extremely high water risk area under the WRI Aqueduct Tool, and has strengthened water conservation efforts since 2016, including shutting down high-water-consumption processes, promoting recycled water usage, and progressively adjusting its water source structure to reduce dependence on groundwater. TSC as a whole entity (including domestic and overseas sites and offices) continues to advance water use efficiency and water resource management improvement, and, using 2025 total water withdrawal as the baseline, has set a target to reduce total water withdrawal by 5% by 2026 compared to 2025, prioritizing high water risk sites, with plans to gradually expand this target to all TSC entity-wide sites.

Water Resource Structure and Risk Management

TSC conducts an annual inventory of water risk hotspots using the Aqueduct water risk assessment tool developed by the World Resources Institute (WRI); the results show that the Shandong Site is located in an area of extremely high water stress, while the Tianjin Site is in an area of high water stress. To address potential water source constraints and environmental impact risks, TSC actively complies with local government policies restricting groundwater extraction and controlling the total volume of Yellow River water usage, while independently advancing various water conservation and water source optimization actions, including constructing rainwater collection basins and pump systems, shutting down high-water-consumption processes, and implementing process water recycling equipment. Through these measures, the Shandong Site's per-unit water consumption has become significantly lower than the industry average and statutory quota, avoiding competitive conflicts over water usage with other businesses and communities in the same water source area.

In addition, TSC also implements supply chain water resource management, incorporating ISO 14001 certification requirements into both new supplier assessments and regular evaluations of existing suppliers, thereby enhancing suppliers' environmental management capabilities. Going forward, TSC will continue to monitor water resource management regulations and policy developments in each region, refining water conservation strategies and recycling technologies at each site in response to risk changes, and working with government and industry to build a sustainable water environment.

Location	Geographic Characteristics	Main Water Withdrawal Source	Water Resource Risk Assessment	Management Mechanism
I-lan (I-lan County, Taiwan)	Located in I-lan, classified as a low-to-medium water stress risk area, with abundant water resources in the Lanyang River basin; no short-term risk of shortage.	Groundwater (93.5%), Tap Water (6.5%)	Low-to-Medium	Due to I-lan's consistently abundant rainfall, the I-lan Site's proximity to mountains, and a daily groundwater withdrawal of less than 100 metric tons, there is no risk of groundwater depletion, and no water restriction measures are in place.
Li-Je (I-lan County, Taiwan)		Surface Water (Wulaokeng Creek) (89.4%), Tap Water (10.6%)	Low-to-Medium	As Wulaokeng Creek has not experienced any drying up over the years, the Li-Je Site currently has no water restriction measures in place.
Shandong Site (Shandong Province, China)	The Shandong Site is located on the Lubei Plain, along the banks of the Yellow River, 130 km from where the river meets the sea, and 75 km south of the Bohai Sea to the north; local annual rainfall is approximately 930 mm.	Groundwater (37%), Tap Water (63%)	Extremely High	The Shandong Site is located in Binzhou City; although the Yellow River flows through the area, the local government strictly controls the total volume of both Yellow River water and groundwater usage. TSC has for many years promoted water conservation and water source management measures at the Shandong Site, and per-unit water usage has become far lower than the industry average and quota. Since 2016, the Shandong Site has shut down its largest water-consuming process, the "pickling station," and implemented equipment replacement and water recycling systems for the electroplating process, effectively reducing total water usage. To continue optimizing its water source structure, the site has progressively replaced portions of groundwater with tap water to improve water use resilience; in 2025, groundwater accounted for 37% of the Shandong Site's total water usage, a decrease of 58.4% compared to 2024; groundwater use was completely discontinued in July 2025, with tap water to be used exclusively going forward.
Tianjin Site (Binhai New Area, Tianjin, China)	The Tianjin Site is located in the Binhai New Area in eastern suburban Tianjin, bordering the Bohai Sea to the east.	Surface Water 100%	High	The Tianjin Site's water supply is provided by the Tianjin Development Area Water Supply Company, primarily sourced from the surface water system; no groundwater is used, and no water restrictions or supply interruptions have occurred. Although the current water supply is stable, the site continues to implement ISO 14001 Environmental Management System requirements, conducting water usage monitoring and abnormal water usage record tracking; going forward, it will continue to strengthen water use efficiency and risk response capabilities based on local policy and site water usage characteristics.

Note:
1. Other office branches, including Taipei and Hsinchu, use tap water as their primary source. As these offices are non-production facilities primarily used for domestic purposes, their water usage is minimal and has negligible impact on local water resources.

2025 Water Withdrawal and Discharge Volume by Site

Unit: Megaliters (million liters)

		Li-Je Site	I-lan Site	Shandong Site	Tianjin Site	Other Offices Site	TSC Total
Water Withdrawal	**Surface Water**	216.52	0.00	0.00	0.00	0.00	216.52
	Groundwater	0.00	35.35	64.51	0.00	0.00	99.86
	Third-party water(tap water)	25.73	2.47	109.97	305.68	2.50	446.35
	Total Water Withdrawal	242.25	37.82	174.48	305.68	2.50	762.73
Water Discharge	**Surface Water**	0.00	16.35	0.00	0.00	0.00	16.35
	Groundwater	0.00	0.00	48.38	0.00	0.00	48.38
	Third-party water(Tap Water)	240.51	0.00	82.48	244.54	0.00	567.53
	Total Water Discharge	240.51	16.35	130.86	244.54	0.00	632.26
Water Consumption	**Total Water Consumption**	1.74	21.53	43.62	61.14	2.63	130.61

Note:
1. Third-party water (tap water) and surface water withdrawal data are sourced from water bills; groundwater withdrawal data are sourced from site meter readings.
2. The data covers all production sites and other office locations (Taipei headquarters, Hsinchu, and Hong Kong Office). Taipei headquarters data is calculated by allocating the office building's water bill proportionally by floor. As these locations are purely office in nature, there is no separate water meter for discharge volume. The Shanghai Office's water fees are included in the leased office's property management fees, so no separate data is available.
3. According to the WRI Aqueduct Tool, water stress is calculated as: annual total water withdrawal / annual total available renewable water supply; a water stress ratio between 40%–80% indicates a high water stress area, and >80% indicates an extremely high water stress area. All of TSC's water withdrawal and discharge sources are freshwater (≤1,000 mg/L total dissolved solids); the water stress index for Taiwan production sites (including the Li-Je and I-lan Sites) is below 40%; the Tianjin Site is in a high water stress risk area; the Shandong Site is in an extremely high water stress risk area, accounting for approximately 40% and 23% of TSC's total water withdrawal and consumption, respectively. Other office locations are all in low water stress risk areas.
4. TSC had no produced water or seawater withdrawal sources in 2025.
5. Process and domestic wastewater discharged from all of TSC's production sites undergo preliminary treatment through on-site pretreatment facilities, and are then connected, in accordance with local regulations, to centralized wastewater treatment systems established by the government or industrial parks, where they are uniformly treated by third-party units before being discharged into nearby rivers or streams, ultimately flowing into the ocean.
6. TSC does not maintain any water storage facilities.

5.3.2 Wastewater Management

GRI 3-3 303-2 303-4

Wastewater Monitoring Mechanism

To reduce the environmental impact of wastewater, TSC has established a comprehensive wastewater management process. Wastewater treatment facilities at each site operate in accordance with discharge permits, complying with regulations such as the Effluent Standards and the Integrated Wastewater Discharge Standards, conducting daily water quality analysis and periodic third-party verification testing of effluent quality, to achieve stable wastewater discharge in compliance with regulatory standards. Each site has established "Wastewater Management Operating Procedures," clearly defining the processes for wastewater collection, monitoring and recording, testing and reporting, strengthening wastewater quality control and preventing negative environmental impacts from abnormal effluent quality. Each site accurately records daily discharge volume and chemical dosage, controls discharge according to locally announced effluent quality standards, and monitors the wastewater treatment system 24 hours a day. Daily wastewater system operating data and water quality analysis values are recorded by on-duty personnel and submitted to system engineers for sign-off, then reviewed by unit supervisors, with related data consolidated into charts for the monthly report and submitted to the site's highest-ranking supervisor for review.

Wastewater discharged from certain TSC processes contains trace amounts of nickel and fluoride ion pollutants; Taiwan sites discharge in accordance with the Effluent Standards for the semiconductor manufacturing industry in Taiwan, while Mainland China sites discharge in accordance with local Integrated Wastewater Discharge Standards.

Historical Wastewater Discharge Trends by Site

Due to slight differences in production activities and scale across sites, wastewater discharge volumes also vary. Appropriate priority item management measures and water quality monitoring mechanisms are established based on each site's needs and circumstances. Total wastewater discharge in 2025 was 632.26 million liters. In 2025, two cases occurred involving violations of Article 7, Paragraph 1 of the Water Pollution Control Act; the Li-Je Site has conducted investigations into these cases to understand the causes of non-compliant water quality sampling, and will continue to improve and strengthen management and personnel training to prevent environmental pollution incidents from recurring.

Water Quality Monitoring Mechanism

I-lan Site

The I-lan Site discharges wastewater into the I-lan River, with monitoring overseen by the Facilities Department, which reviews water pH daily, checks suspended solids weekly, and prepares the site's annual water quality report semi-annually; ISO 14001 inspection is also conducted annually by an external third-party verification body. As the I-lan Site's wastewater is primarily cutting wastewater, the detected effluent composition contains only minor suspended solids (<5 mg/L, requiring no sludge production), and pH already falls within the neutral range (pH 7±1) without requiring chemical adjustment, determined to have no material impact. As the I-lan Site's wastewater quality is simple, low-pollution, and low in volume with minimal environmental impact, TSC, upon recommendation from the I-lan County Government Environmental Protection Bureau, applied for a simplified wastewater discharge permit amendment in accordance with the law, completing a wastewater treatment facility simplification project in 2024. This project relocated the underground water treatment unit tank to a surface-level tank, ensuring that leakage from underground tanks does not result in untreated wastewater contaminating the soil.

Li-Je Site

The Li-Je Site discharges wastewater into Xincheng Creek, with a 24-hour monitored wastewater treatment system and water quality analysis conducted twice daily; this data is recorded by EHS and facility on-duty personnel and submitted to system engineers for sign-off, then reviewed by unit supervisors, with related data consolidated into charts and reports monthly for review by the site's highest-ranking supervisor. The Li-Je Site closely monitors water quality changes; if internal threshold limits are reached, an analysis and improvement process is immediately implemented, with related violation incidents recorded and improvement plans proposed. For external audits, the Li-Je Site is annually inspected by an external third-party verification body regarding ISO 14001-related operations and records, with performance evaluation conducted and certification issued; in addition, the Li-Je Site conducts quarterly effluent water quality sampling by a third-party testing body, covering fluoride, nitrate nitrogen, nickel, ammonia nitrogen, suspended solids, chemical oxygen demand, pH, and other parameters, and reports relevant data to the Ministry

of Environment based on production data. In 2025, two cases involving violations of the Water Pollution Control Act occurred, both of which were rectified within the stipulated deadlines, with improvement plans and process measures implemented, including manual testing twice daily and establishing an internal warning threshold, with effluent redirected to an emergency response tank for reprocessing until below the standard when levels exceed 40 mg/L; as well as implementing a diversion and collection project for high-concentration waste mixed acid, with the diverted waste outsourced to a qualified treatment facility for disposal. The Li-Je Site will reduce the load on its wastewater treatment system and improve the stability of nitrate nitrogen treatment through diversion, outsourced processing, and engineering improvements, ensuring effluent complies with standards and preventing similar incidents from recurring.

Short-term Measures	Long-term Plan
• Adjust process wastewater diversion and confirm the stability of the wastewater treatment system. • Divert and collect high-concentration waste liquid for outsourced treatment, reducing the load on the wastewater treatment system. • Adjust the treatment process in line with the wastewater trial program and continuously monitor effluent quality.	Engage a professional vendor to design a solution for stable compliance, and complete pipeline inventory and improvement planning.

Shandong Site

The Shandong Site holds a "Pollutant Discharge Permit" approved and issued by the Ecology and Environment Bureau, has established comprehensive wastewater management operating procedures, and is equipped with a wastewater treatment station to treat site wastewater, which, once treated to meet standards, is discharged to the local government's centralized industrial wastewater treatment plant. Industrial wastewater, after on-site treatment, can stably meet discharge standards, with an online effluent quality monitoring system testing 4 key indicators—pH, ammonia nitrogen, chemical oxygen demand, and flow rate; a third-party unit is also commissioned to collect at least 4 water samples monthly on-site, testing a total of 16 discharge indicators. Based on on-site online monitoring and periodic third-party testing results, the Shandong Site's effluent remains consistently stable, meeting the requirements of relevant environmental regulations such as GB39731-2020 Electronic Industry Water Pollutant Discharge Standard. Furthermore, actual discharge values for key regulatory indicators such as chemical oxygen demand and ammonia nitrogen are significantly below discharge limits (e.g., the chemical oxygen demand discharge limit is 500 mg/L, with the Shandong Site's actual average discharge at approximately 30 mg/L; the ammonia nitrogen discharge limit is 45 mg/L, with the Shandong Site's actual discharge at 0.2 mg/L), taking concrete action to minimize environmental impact and fulfill environmental responsibility.

The Shandong Site has established the "Industrial Wastewater Treatment Operating Measures" and "Wastewater Treatment System Operation, Repair, and Maintenance Standards," clearly defining the processes for wastewater collection, monitoring and recording, testing and reporting, strengthening wastewater quality control and preventing negative environmental impacts from abnormal effluent quality. The site monitors discharge volume and water quality 24 hours a day through an online water quality monitoring system, while the Administration Department dispatches personnel to inspect and oversee system operating status, with inspection rounds conducted once every 2 hours to ensure parameter settings are reasonable and the system remains in good condition; an emergency accident containment pond is also equipped, ensuring proper emergency response in the event of a water quality anomaly and preventing incidents of excessive discharge.

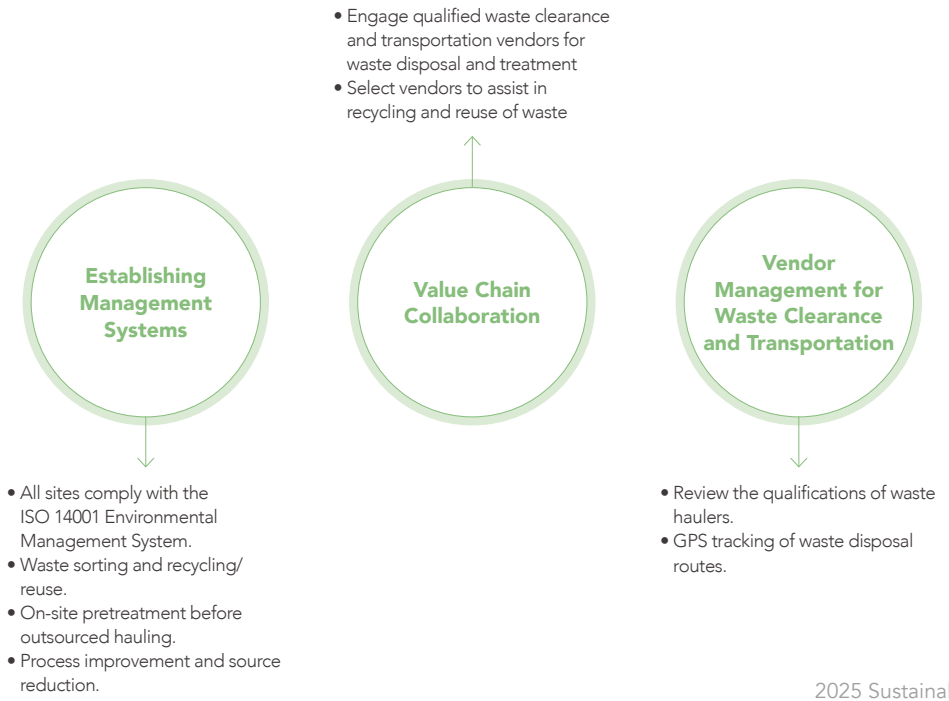
Tianjin Site

The Tianjin Site discharges wastewater to a municipal wastewater treatment plant, equipped with an online wastewater monitoring system that measures pollutant levels in wastewater daily and transmits data to the Environmental Protection Bureau via the system; a partner testing unit periodically samples and tests effluent water quality, and relevant reports are filed with the Environmental Protection Bureau based on production data. Monitored substances include 5-day biochemical oxygen demand, suspended solids, total nitrogen, total phosphorus, pH, ammonia nitrogen, and chemical oxygen demand. In addition, an external partner vendor is engaged annually to inspect ISO 14001-related operations and records, conduct management performance evaluation, and issue certification.

5.4 Waste and Pollution Management

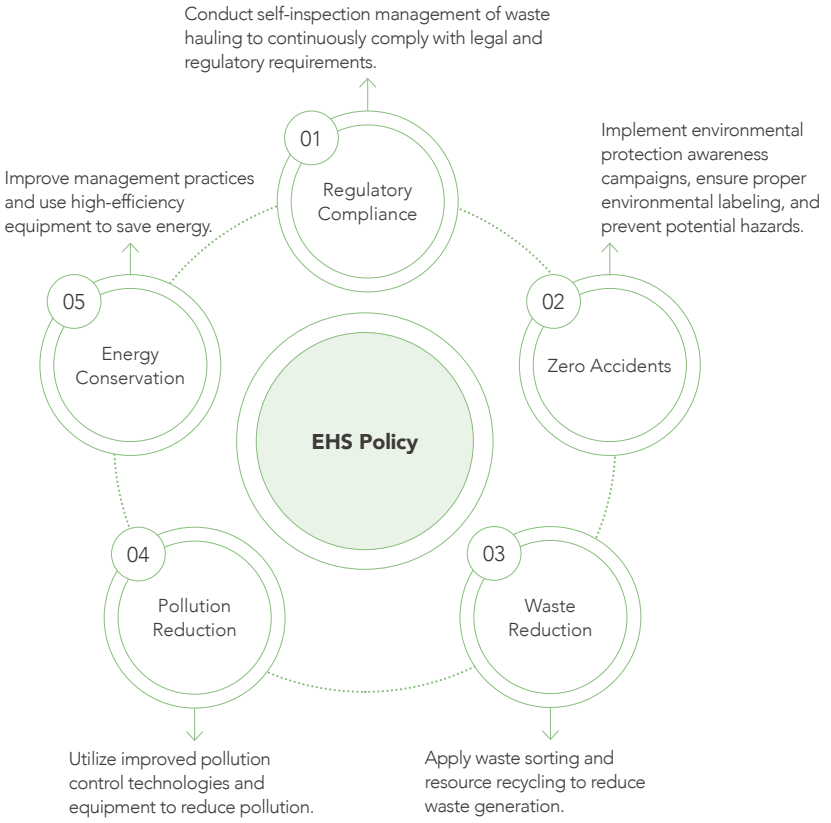
5.4.1 Waste Management GRI 306-1 306-2 306-3 306-4 306-5 TC-SC-150a.1

TSC is committed to reducing the environmental impact of waste. By optimizing management and improving resource use efficiency, operating costs are further reduced. Accordingly, all of TSC's production sites have obtained ISO 14001 Environmental Management System certification and conduct regular internal audits in accordance with the system. To implement waste reduction, reporting, and disposal (removal, treatment, and reuse), recyclable waste generated at sites is centrally collected, sorted by nature, and entrusted to external waste haulers for transport. In addition, special process waste such as chemical solvents is sorted, labeled, and temporarily stored in designated areas before being handled by government-approved qualified waste haulers. To track the final destination of waste, TSC has also developed review plans for waste haulers, including vehicle escort and GPS tracking, and established a comprehensive contractor management mechanism, actively implementing waste management practices.



Waste Management Commitment

TSC has not yet established overall short-, medium-, or long-term quantitative waste reduction targets; however, each production site continues to advance various waste reduction and resource circulation measures based on process characteristics, waste types, and local regulatory requirements, tracking implementation performance through waste statistics, hauling records, and reuse outcomes.



Waste Disposal Process

TSC's semiconductor component production activities involve various raw materials and process inputs, correspondingly generating various types of waste. Main inputs include silicon wafers, chemicals (such as etchants and cleaning agents), additives (such as adhesives and resins), and packaging materials (such as wooden crates, pallets, and plastic film); based on process characteristics, waste can be categorized into the following four activity sources:

Front-end processes (such as wafer cutting, etching, and cleaning)

Prone to generating heavy-metal-containing sludge, organic solvent waste liquid, and wastewater treatment filter media

Back-end assembly (such as bonding, molding, and testing)

Generates adhesive strip residue, waste resin, and waste electronic components

Equipment and consumables replacement

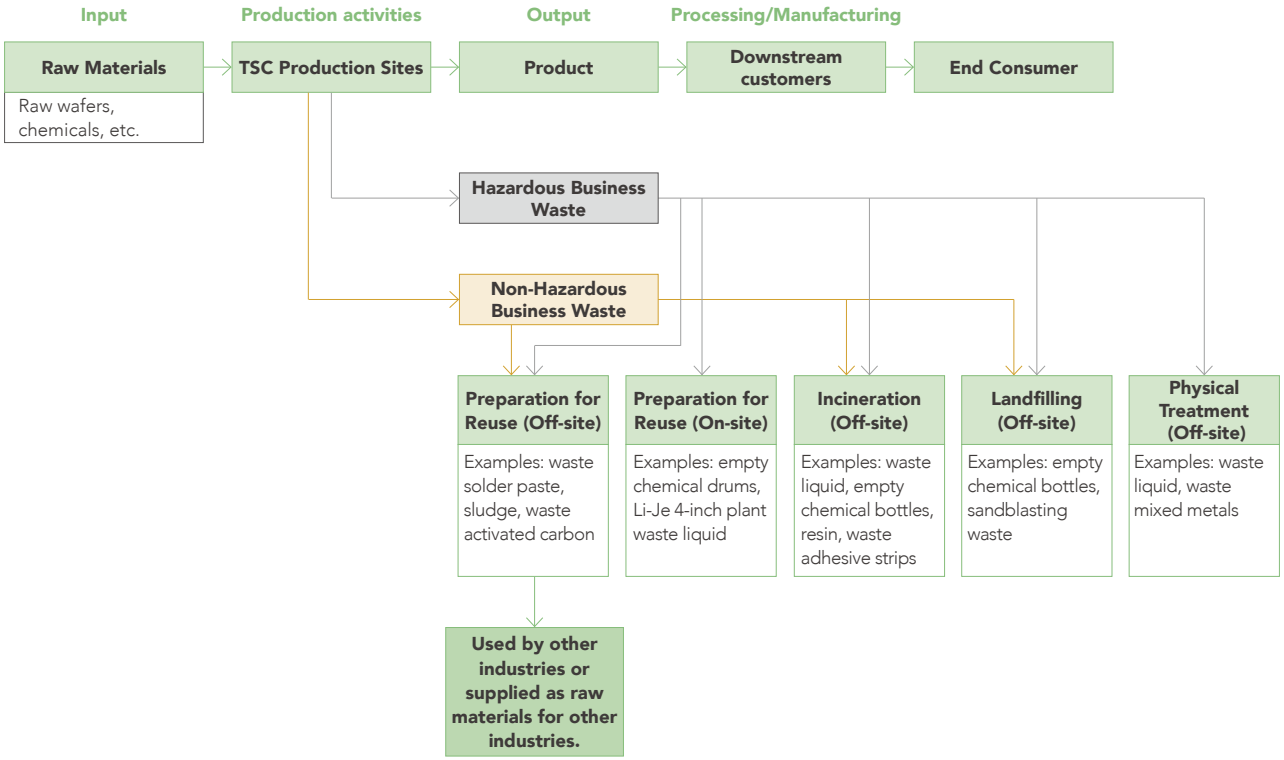
Includes non-product-related waste such as cleaning chemical drums, empty drums, and waste glass

Packaging and shipping

General business waste such as pallets, cartons, and heat-shrink plastic film

To properly manage waste generated by these processes and operations, all TSC sites have established comprehensive management mechanisms in accordance with the ISO 14001 Environmental Management System, covering four key areas: source reduction, sorted temporary storage, recycling and reuse, and compliant outsourced treatment, with regular reporting and retention of supporting documentation as required by regulations, ensuring transparency and compliance in the disposal process.

Hazardous waste and general business waste generated at TSC's production sites are primarily handled through off-site outsourced treatment, with disposal methods including physical treatment, landfilling, incineration, and recycling. Chemical empty drums and waste liquids generated at some sites first undergo simple pretreatment on-site before being transported off-site by qualified haulers, for use by other industries or reuse as raw materials. General business waste is mostly handled through off-site landfilling, incineration, and off-site recycling. In addition, waste generated at office locations such as Taipei, Hsinchu, and overseas offices is classified as general domestic waste, and is regularly collected and disposed of by the building's designated waste collection unit in accordance with local government regulations.



Waste Statistics

TSC generated a total of 2,238.31 metric tons of waste in 2025, of which 995.48 metric tons (44.47%) was hazardous business waste and 1,242.82 metric tons (55.53%) was non-hazardous business waste; all sites entrust qualified waste haulers to assist with transport and disposal. Waste statistics at each site are regularly compiled internally by the Facilities Department, with regular reporting and retention of supporting documentation such as three-part waste weighing slips, in accordance with local government regulations, for future reference.

To strengthen waste management, the Li-Je Site has developed a reduction plan for on-site calcium fluoride sludge, and 4-inch plant waste liquid is recycled and reused in partnership with a recycling vendor, with 100% recovery as a raw material for cement; the I-lan Site collaborates with external vendors on a reuse mechanism; the Shandong Site is advancing source reduction projects, including a heat-shrink plastic film replacement project, reducing raw material usage at the source and correspondingly reducing waste generation.

2025 Total Waste Volume

Unit: Metric Tons

Category		Item	Item	On-site
Hazardous Waste	Direct Disposal	Incineration (with energy recovery)	80.23	-
		Incineration (without energy recovery)	49.60	-
		Landfilling	4.12	-
		Other Disposal	678.48	-
	Reuse	Preparation for Reuse	110.08	-
		Recycling	72.97	-
		Other Recovery Operations	-	-
Total Hazardous Waste			**995.49**	**-**
Non-Hazardous Waste	Direct Disposal	Incineration (with energy recovery)	24.27	-
		Incineration (without energy recovery)	-	-
		Landfilling	460.34	-
		Other Disposal	-	-
	Reuse	Preparation for Reuse	643.20	-
		Recycling	115.01	-
		Other Recovery Operations	-	-
Total Non-Hazardous Waste			**1,242.82**	**-**
Hazardous Waste + Non-Hazardous Waste			**2,238.31**	

Note:
1. Other disposal methods include physical treatment, among others.
2. The reuse rate for hazardous business waste was 18.39% (including preparation for reuse, recycling, and other recovery operations), calculated as the proportion of reused hazardous waste to total hazardous waste.
3. The reuse rate for non-hazardous business waste was 61.01% (including preparation for reuse, recycling, and other recovery operations), calculated as the proportion of reused non-hazardous waste to total non-hazardous waste.
4. The definitions of hazardous and non-hazardous waste are based on Taiwan's Standards for Storage, Clearance, and Disposal Methods and Facilities of Business Waste and Mainland China's Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste.
5. The statistics in the table cover all of TSC's production units, excluding Taipei, Hsinchu, and overseas office locations, as waste generated at office locations is classified as general domestic waste, regularly collected and disposed of by the building's designated waste collection unit in accordance with local government regulations.
6. In 2025, the weight of decommissioned products and electronic waste was 3.99 metric tons, with a recycling rate of 100.00%. (Including preparation for reuse and recycling after the sale of scrap materials.)

Waste Reduction Initiatives

Li-Je Site

The Li-Je Site actively promotes off-site resource recovery, transforming process-generated waste into useful resources, **achieving a reuse rate of 91.4% in 2025.** Through value chain collaboration, the site achieves the benefits of waste reduction, lower energy consumption and costs for waste treatment, and resource recovery from waste. For example, the Li-Je Site partners with a major cement manufacturer to recover and reuse calcium fluoride sludge generated from processes as a raw material for cement; waste glass is physically treated, crushed, and reused; and waste electronic components undergo precious metal separation. For waste liquid, the Li-Je Site collaborates with recycling vendors, using physical treatment methods such as distillation to convert it into raw material for thinner (a solution formulated from various organic solvents), which is then further processed by other industries into products such as paint.



I-lan Site

In the past, purchasing new equipment and materials often generated large amounts of waste packaging materials such as wooden pallets and crates, mostly disposed of through incineration. Starting in 2025, the I-lan Site began using waste wood, shredding it to produce waste fuel rods to increase incineration calorific value, utilizing a total of 1,210 kilograms of waste wood. In addition, to actively promote waste reduction, the I-lan Site actively selects external waste haulers, aiming to work with cross-industry partners to jointly advance resource circulation and achieve waste reduction goals. Going forward, the I-lan Site will continue to select relevant partner vendors, including developing a project to remanufacture waste adhesive strips into raw materials for eco-bricks, exploring further possibilities for waste reuse.

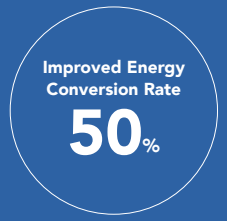
Waste Plastic and Waste Wood Reduction and Reuse

- **I-lan Site**

In response to the global issues of climate change and resource depletion, and echoing stakeholder expectations for sustainable resource management, the I-lan Site has in recent years promoted the "Waste Plastic and Waste Wood Reuse Project," aiming to strengthen source waste reduction and resource circulation, further reduce greenhouse gas emissions and waste treatment costs, and achieve sustainable goals that balance economic and environmental considerations.

Waste Wood: Improving Reuse Rate, Promoting Green Energy Transition

After collaborating with vendors on collection, wooden waste is recovered, shredded, and remanufactured into a new form of renewable energy. Compared to traditional fuels (such as diesel or heavy oil), the calorific value provided by the biomass fuel can improve energy conversion efficiency by approximately **50%**, and reduce waste treatment costs by **30%**.

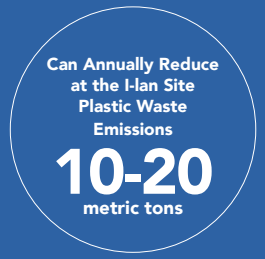




Waste Plastic: Promoting Recycling and Pelletizing, Extending the Life Cycle of Raw Materials

After collaborating with vendors on collection, recovered plastic waste is shredded and re-pelletized into recycled plastic raw material. Recycling treatment costs are reduced by **75%** compared to incineration, effectively reducing resource waste. This reuse mechanism can reduce the I-lan Site's plastic waste emissions by approximately **10–20 metric tons** annually, reducing potential environmental impact.





The I-lan Site will continue to expand the scope of its waste reduction projects, introducing more diverse waste reuse models. The site plans to advance a "Mixed Plastic Remanufactured into Eco-Bricks" project, developing feasibility plans with partner vendors to produce eco-brick raw materials from mixed waste plastics (such as waste adhesive strips). It is estimated that approximately 20–30 metric tons of mixed waste plastic can be reused, reducing the volume sent to incineration.

• Shandong Site

To improve resource use efficiency, the Shandong Site continued to strengthen its packaging material reduction plan in 2025, optimizing management of cartons and plastic packaging materials, effectively reducing waste generation.

Waste Carton Reduction Results

Carton usage is controlled at the source, achieving carton packaging waste of less than 1 kilogram per NT$10,000 of output value, a **67% reduction in waste carton packaging**. This result not only reduces resource waste but also demonstrates commitment to waste reduction in practice.



Heat-Shrink Plastic Film Replacement and Plastic Reduction Results

The Shandong Site fully eliminated the use of heat-shrink plastic film in 2024, achieving source reduction of plastic through improved transportation and packaging processes. In 2025, total plastic waste reduction exceeded **6 metric tons**. This measure effectively prevents single-use plastic materials from entering the waste stream, significantly reducing potential environmental impact.



Waste Hauling Management

Due to differences in process characteristics, the types of waste generated by each site also partially differ. Taiwan sites and the Shandong Site have established "Waste Hauling Procedures," strengthening waste hauling management, continuously tracking changes in local regulations, periodically reviewing implementation status, holding meetings, and conducting rolling reviews and revisions to implement waste management practices. The Tianjin Site, in accordance with local government policy, has signed a unified hauling contract with public authorities. Other offices have their general domestic waste collected by the building management unit.

Waste Hauling Methods

Waste generated from TSC's production activities is primarily categorized into general business waste and hazardous business waste. All waste from the two Taiwan sites is outsourced for hauling, with detailed tracking and recording based on the hauler's disposal methods; the outsourced treatment process is as follows:

General Business Waste

On-site: Contact contracted vendor for quotation → Contact contracted hauler to arrange hauling → Issue hauling order → Conduct hauling

Off-site: Escort the vehicle to the contracted disposal vendor for weighing and photographing

Hazardous Business Waste

On-site: Contact contracted hauler to arrange hauling → Issue hauling order → Conduct hauling → Issue three-part hauling manifest

Off-site: Update the manifest with actual weighed weight and confirm the manifest → Download and archive the hauling vehicle's GPS track → Retain and file the three-part manifest and proper disposal documentation

Hauler Management

For contractor waste disposal, TSC strictly requires relevant vendors to regularly renew their permits, conducting annual audits of the operating activities of waste hauling and treatment vendors, noting this in contract terms and periodically updating contracts; if a vendor fails to properly comply with regulations, the contract is terminated. In addition, to effectively track the hauling status of business waste, TSC makes use of the Ministry of Environment's Resource Circulation Administration "Hauling Equipment Real-Time Tracking System GPS Zone" website, tracking hauler vehicle routes and confirming vehicle movements in real time; the hauling vehicle's GPS tracking data is also verified and archived, with periodic vehicle escorts conducted to rigorously monitor the flow of waste disposal.

TSC properly processes documentation and prepares decommissioned equipment disposal reports; the Li-Je Site conducts at least one evaluation of waste removal and treatment vendors per year, and the I-lan Site conducts one on average every two months, scoring each sub-item in the table below on a scale of 0–5, with a final score of 90 as the qualification standard for TSC's waste hauling vendors; no unqualified records were noted for any site's contractor evaluations in 2025.

Waste Contractor Evaluation Items

Hauling	• Regular maintenance of hauling equipment • Pollution prevention and safety equipment for hauling equipment • Assessment of hauling equipment cooperation and hauling capacity • Management of driver licenses and certification for hazardous goods transport personnel • Emergency response equipment, methods, and manuals
Storage	• Compliance of on-site temporary storage quantities with permitted processing capacity • Chemical compatibility / area labeling classification • Facilities preventing groundwater/rainwater infiltration • Abnormal leakage at temporary storage areas • Retention of hazardous and general removal record documentation
Industrial Safety and Fire Prevention	• Safety protective equipment record documentation • Proper wearing and operation of safety protective equipment • Fire safety equipment inspection and audit records • Establishment of safety protective measures and fire equipment • Other industrial safety management systems
Others	• Organizational structure / professional capability • Accuracy and completeness of online reporting data and proper disposal records • Relevant performance and experience • Accuracy of written documentation • Establishment of ISO 14001 systems or operating standards

5.4.2 Air Pollution Control and Prevention GRI 305-6 305-7

TSC is committed to air pollution control to implement environmental protection; all sites comply with local environmental regulations and conduct regular gas testing. The main gases generated include acidic exhaust gas and volatile organic compounds (VOCs), along with a small amount of fumes from die bonding processes; gases discharged from processes are treated via acid/base scrubbers, ionization decomposition, smoke and dust filtration, and VOC adsorption treatment systems, with periodic testing by third-party testing organizations to ensure compliant discharge. Due to differences in wafer fabrication and assembly/testing characteristics, air pollutants generated by each site differ slightly; in 2025, all of TSC's production sites complied with local environmental regulations, with no violations of air pollution-related regulations.

Air Pollutant Emissions

Unit: metric tons

	2023	2024	2025
Nitrogen Oxides (NOx)	6.382	1.125	1.056
Sulfur Oxides (SOx)	0.000	0.000	0.00
Persistent Organic Pollutants (POP)	0.000	0.000	0.00
Volatile Organic Compounds (VOC)	3.203	3.923	3.674
Hazardous Air Pollutants (HAP)	0.000	0.000	0.00
Particulate Matter (PM)	2.069	1.702	1.714
Ozone-Depleting Substances (ODS)	0.000	0.000	0.00
Others	0.556	0.241	0.552
Total Hazardous Gas Emissions	12.210	6.991	6.996

Note:
1. Data measurement methods include: real-time facility monitoring data and the average of three external testing agency measurements. Real-time monitoring data includes the Li-Je Site and I-lan Site; the Shandong Site is regularly tested by an external testing agency; the Tianjin Site is tested three times by a third-party testing agency, with the average value used.
2. No emissions of sulfur oxides (SOx), persistent organic pollutants (POP), hazardous air pollutants (HAP), or ozone-depleting substances (ODS) occurred.
3. In response to Taiwan's Ministry of Environment's 2023 revision and issuance of the "Air Pollution Control and Emission Standards for the Semiconductor Manufacturing Industry," the data source for volatile organic compound (VOC) statistics at Taiwan sites was revised to the "Semiconductor Manufacturing Industry Volatile Organic Compounds and Inorganic Acid Pollution Prevention Declaration Form."
4. The "other" gases in the table refer to substances required for testing at the Tianjin Site under the Integrated Emission Standard of Air Pollutants regulation, including xylene, ethylbenzene, and non-methane total hydrocarbons; emissions of these three gases all comply with local government requirements.

Air Pollution Control Monitoring

Taiwan sites comply with the Air Pollution Control and Emission Standards for the Semiconductor regulations such as the Administrative Measures for Pollutant Discharge Permits, the Integrated Emission Standard of Air Pollutants, the Shandong Provincial Regional Air Pollutant Emission Standards, and the Emission Standard of Volatile Organic Compounds Part 7: Other Industries, conducting periodic monitoring through air pollution control equipment via a combination of internal and external audits. The Tianjin Site is tested three times annually by a qualified third-party unit, with the average value and emission rate calculated.

Exhaust Gas Treatment

TSC's main air pollutants are categorized into acidic/alkaline exhaust gas and volatile organic exhaust gas. Depending on the type and characteristics of the exhaust gas, corresponding treatment equipment and processes are used to prevent pollution. Acidic/alkaline exhaust gas and volatile organic compounds (VOCs) are treated using pollution control equipment such as acid/base scrubbers and zeolite rotor incineration systems to handle process-discharged gases, with continuous monitoring via a flame ionization detector (GC-FID system) to ensure the treatment efficiency of control equipment meets regulatory standards.

Treatment Methods for Various Air Pollutants

Type of air pollutant	Treatment Method
Acidic/Alkaline Exhaust Gas	Acidic and alkaline exhaust gas is collected and properly treated in acid/base scrubbers, with the treated exhaust gas meeting discharge standards.
Volatile Organic Exhaust Gas	**Li-Je Site:** VOCs are adsorbed and concentrated by a zeolite rotor, followed by high-temperature desorption and catalytic incineration, with the treated exhaust gas meeting discharge standards. **I-lan Site:** VOCs are treated via scrubbers, using scrubbing liquid to wash VOCs from the exhaust gas, with the resulting waste liquid discharged to the wastewater system for treatment. As VOC concentrations at the I-lan Site are lower than at the Li-Je Site, treatment via scrubbers is sufficient, without requiring zeolite rotor adsorption and concentration purification.

The Li-Je Site's scrubbers treat acidic and alkaline exhaust gas in a parallel configuration; in the event of any emergency, the remaining equipment can handle the target exhaust treatment volume while coordinating production line capacity adjustments to prevent air pollution; in addition, the zeolite rotor concentrator with regenerative catalytic oxidation (RCO) system used to treat volatile organic exhaust gas can switch to a parallel activated carbon tower during emergencies, while coordinating production line capacity adjustments to reduce environmental impact.

The Shandong Site uses acid/base scrubbers, filtration systems, ionization decomposition, and activated carbon adsorption systems to purify and treat acidic gas, particulate matter, and VOCs, based on the exhaust characteristics of different processes. The filtration system uses primary filter cotton and medium-efficiency filter bags, achieving a dust particle treatment rate of 93%; the activated carbon adsorption system uses molecular sieve technology, effectively adsorbing and purifying exhaust VOCs through approximately 18 m^3 of activated carbon within the adsorption chamber, achieving stable compliant emissions. At the same time, improvements to cleaning machine solvents are also being advanced, replacing halogen-containing cleaning agents with more environmentally friendly cleaning solvents to reduce air pollution emissions and environmental impact. The Tianjin Site plans to install activated carbon adsorption spray treatment tower waste treatment facilities, ensuring all exhaust pollutants meet discharge standards.

Appendix I: GRI Standards Content Index

GRI 2: General Disclosures (2021)		Report Section and Description	Page Number
Organization and Reporting Practices			
2-1	Organizational details	0.1 About This Report 1.1.1 Company Overview	3
2-2	Entities included in the organization's sustainability reporting	0.1 About This Report	3
2-3	Reporting period, frequency and contact point	0.1 About This Report	3
2-4	Restatements of information	0.1 About This Report	3
2-5	External assurance	0.1 About This Report	3
Activities and Workers			
2-6	Activities, value chain and other business relationships	1.1.1 Company Overview	16
2-7	Employees	4.1.1 Diversity and Inclusion	71
2-8	Workers who are not employees	4.1.1 Diversity and Inclusion	71
Governance			
2-9	Governance structure and composition	1.2.1 Board Operations	24
2-10	Nomination and selection of the highest governance body	1.2.1 Board Operations	24
2-11	Chair of the highest governance body	1.2.1 Board Operations	24
2-12	Role of the highest governance body in overseeing the management of impacts	1.2.1 Board Operations	24
2-13	Delegation of responsibility for managing impacts	1.2.1 Board Operations	24
2-14	Role of the highest governance body in sustainability reporting	1.2.1 Board Operations	24
2-15	Conflicts of interest	1.2.1 Board Operations	24
2-16	Communication of critical concerns	1.2.2 Ethical Business Practices	29
2-17	Collective knowledge of the highest governance body	1.2.1 Board Operations	24
2-18	Evaluation of the performance of the highest governance body	1.2.1 Board Operations	24
2-19	Remuneration policies	1.2.1 Board Operations 4.1.1 Diversity and Inclusion	24 71
2-20	Process to determine remuneration	1.2.1 Board Operations 4.1.1 Diversity and Inclusion	24 71
2-21	Annual total compensation ratio	Not disclosed due to confidentiality	

GRI 2: General Disclosures (2021)		Report Section and Description	Page Number
Strategy, Policies, and Practices			
2-22	Statement on sustainable development strategy	Message from the Chairman 1.1.1 Company Overview 1.2.1 Board Operations	6 16 24
2-23	Policy commitments	3.2.1 Sustainable Supply Chain Management 4.1.4 Labor Relations and Human Rights Management 1.2.2 Ethical Business Practices	61 89 29
2-24	Embedding policy commitments	3.2.1 Sustainable Supply Chain Management 4.1.4 Labor Relations and Human Rights Management	61 89
2-25	Processes to remediate negative impacts	1.4 Information Security Management	35
2-26	Mechanisms for seeking advice and raising concerns	1.2.2 Ethical Business Practices	29
2-27	Compliance with laws and regulations	1.3.2 Regulatory Compliance	34
2-28	Membership associations	1.1.1 Company Overview	16
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	0.4 Stakeholder Communication and Material Topic Analysis	7
2-30	Collective bargaining agreements	Not applicable; TSC Group had no collective bargaining agreement in 2025, but all TSC employees are fully protected through individually signed labor contracts with the Company. For details, see 4.1.4 Labor Relations and Human Rights Management.	89

GRI 3: Material Topics (2021)		Report Section and Description	Page Number
Material Topics			
3-1	Process to determine material topics	Stakeholder Communication and Material Topic Analysis	7
3-2	List of material topics	Stakeholder Communication and Material Topic Analysis	7
3-3	Management of material topics	Stakeholder Communication and Material Topic Analysis 1.4 Information Security Management 2.1 R&D and Innovation 2.2 Customer Relationship Management 3.1 Supply Chain Overview 4.1 Talent Attraction and Retention 5.1 Greenhouse Gas Management 5.3 Water Stewardship	7 36 44 55 59 69 105 128

GRI 200		Report Section and Description	Page Number
GRI 201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	1.1.2 Financial Performance	22
201-2	Financial implications and other risks and opportunities due to climate change	5.1.1 Climate Governance and Strategies	106
201-4	Financial assistance received from government	1.1.2 Financial Performance	22
GRI 204: Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	3.1 Supply Chain Overview	59
GRI 205: Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	1.2.2 Ethical Business Practices	29
205-2	Communication and training about anti-corruption policies and procedures	1.2.2 Ethical Business Practices 3.1.1 Supply Chain Overview	29 59
205-3	Confirmed incidents of corruption and actions taken	1.3.2 Regulatory Compliance	34

GRI 300		Report Section and Description	Page Number
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	2.1 R&D and Innovation	44
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	5.2 Energy Resource Management	123
302-3	Energy intensity	5.2 Energy Resource Management	123
302-4	Reduction of energy consumption	5.1.1 Climate Governance and Strategies 5.2 Energy Management	106 123
GRI 303: Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	5.3.1 Water Usage Management	129
303-2	Management of water discharge-related impacts	5.3.2 Wastewater Management	131
303-3	Water withdrawal	5.3.1 Water Usage Management	129
303-4	Water discharge	5.3.1 Water Usage Management 5.3.2 Wastewater Management	129 131
303-5	Water consumption	5.3.1 Water Usage Management	129

GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	5.1.2 Greenhouse Gas Emissions and Management	117
305-2	Energy indirect (Scope 2) GHG emissions	5.1.2 Greenhouse Gas Emissions and Management	117
305-3	Other indirect (Scope 3) GHG emissions	5.1.2 Greenhouse Gas Emissions and Management	117
305-4	GHG emissions intensity	5.1.2 Greenhouse Gas Emissions and Management Appendix IV: GHG Inventory and Assurance Status	117 148
305-5	Reduction of GHG emissions	5.1.1 Climate Governance and Strategies 5.1.2 Greenhouse Gas Emissions and Management	106 117
305-6	Emissions of ozone-depleting substances (ODS)	5.4.2 Air Pollution Control and Prevention	140
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.4.2 Air Pollution Control and Prevention	140
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	5.4.1 Waste Management	133
306-2	Management of significant waste-related impacts	5.4.1 Waste Management	133
306-3	Waste generated	5.4.1 Waste Management	133
306-4	Waste diverted from disposal	5.4.1 Waste Management	133
306-5	Waste directed to disposal	5.4.1 Waste Management	133
GRI 308: Supplier Environmental Assessment (2016)			
308-1	New suppliers that were screened using environmental criteria	3.2.1 Sustainable Supply Chain Management	61
308-2	Negative environmental impacts in the supply chain and actions taken	3.2.1 Sustainable Supply Chain Management	61

GRI 400		Report Section and Description	Page Number
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	4.1.1 Diversity and Inclusion	71
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.3 Employee Health and Benefits	79
401-3	Parental leave	4.1.3 Employee Health and Benefits	79
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	4.2 Protecting Workplace Environment	95
403-2	Hazard identification, risk assessment, and incident investigation	4.2 Protecting Workplace Environment	95
403-3	Occupational health services	4.2 Protecting Workplace Environment	95
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Protecting Workplace Environment	945
403-5	Worker training on occupational health and safety	4.2 Protecting Workplace Environment	95
403-6	Promotion of worker health	4.1.3 Employee Health and Benefits 4.2 Protecting Workplace Environment	79 95
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2.1 Sustainable Supply Chain Management	61
403-8	Workers covered by an occupational health and safety management system	4.2 Protecting Workplace Environment	95
403-9	Work-related injuries	4.2 Protecting Workplace Environment	95
403-10	Work-related ill health	4.2 Protecting Workplace Environment	95
GRI 404: Training and Education (2016)			
404-1	Average hours of training per year per employee	4.1.2 Human Resource Development	75
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2 Human Resource Development	75
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Human Resource Development	75
GRI 405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	1.2.1 Board Operations 4.1.1 Diversity and Inclusion	24 71
405-2	Ratio of basic salary and remuneration of women to men	4.1.1 Diversity and Inclusion	71

GRI 400		Report Section and Description	Page Number
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	4.1.4 Labor Relations and Human Rights Management	89
GRI 407: Freedom of Association and Collective Bargaining (2016)			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1.4 Labor Relations and Human Rights Management	89
GRI 408: Child Labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.1 Sustainable Supply Chain Management 4.1.4 Labor Relations and Human Rights Management	61 89
GRI 409: Forced or Compulsory Labor (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2.1 Sustainable Supply Chain Management 4.1.4 Labor Relations and Human Rights Management	61 89
GRI 414: Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria	3.2.1 Sustainable Supply Chain Management	61
414-2	Negative social impacts in the supply chain and actions taken	3.2.1 Sustainable Supply Chain Management	61
GRI 416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 R&D and Innovation	44
GRI 417: Marketing and Labeling (2016)			
417-1	Requirements for product and service information and labeling	2.1 R&D and Innovation	44
417-2	Incidents of non-compliance concerning product and service information and labeling	2.1 R&D and Innovation	44
GRI 418: Customer Privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.4 Information Security Management	35

Appendix II: SASB Content Index

SASB		Report Section	Page Number	Content Summary
Activity Metrics				
TC-SC-000.A	Total Production Volume	2.1 R&D and Innovation	45	TSC's core rectifier products reached an annual output of 7,299,197 Kpcs in 2025
TC-SC-000.B	Percentage of Production from Owned Facilities	2.1 R&D and Innovation	45	70%
Increased Greenhouse Gas				
TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) total emissions from perfluorinated compounds	5.1.2 Greenhouse Gas Emissions and Management	117	(1) 13,716.0519 metric tons CO_2e (2) 9,051.1120 metric tons CO_2e (TSC individual entity only)
TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	5.1.2 Greenhouse Gas Emissions and Management	117	For Scope 1 direct emissions reduction, TSC plans to progressively advance source management and equipment upgrade strategies to control emission intensity and mitigate direct carbon emissions from business operations
Energy Management in Manufacturing				
TC-SC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	5.2 Energy Resource Management	123	(1) 218,695.30GJ (2) 99.39% (3) 42.70%
Water Management				
TC-SC-140a.1	(1) Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress, (2) total water consumed, percentage in regions with High or Extremely High Baseline Water Stress	5.3.1 Water Usage Management	129	(1) 762.92 thousand cubic meters; 22.87% (2) 103.66 thousand cubic meters; 33.38%
Waste Management				
TC-SC-150a.1	(1) Amount of hazardous waste generated in manufacturing, (2) percentage recycled	5.4.1 Waste Management	133	(1) 995.49 metric tons (2)18.39%
Employee Health and Safety				
TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	4.2 Protecting Workplace Environment	95	Regular workplace environment monitoring, hazard identification and risk assessment are conducted, along with internal and external audits, incident investigations, and equipment safety inspection systems; hazardous substance generation or exposure is reduced following the tiered protection principles of engineering controls, administrative controls, and personal protective equipment
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	4.2 Protecting Workplace Environment	95	In 2025, there were no monetary losses resulting from violations of employee health and safety laws

SASB		Report Section	Page Number	Content Summary
Recruiting and Managing a Global and Skilled Workforce				
TC-SC-330a.1	Percentage of employees that require a work visa	4.1.1 Diversity and Inclusion	71	3%
Product Lifecycle Management				
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	2.1 R&D and Innovation	45	Products contain declarable substances listed under IEC 62474
TC-SC-410a.2	Processor energy efficiency, at a system level, for (1) servers, (2) desktops, and (3) laptops	2.1 R&D and Innovation	45	Not applicable, as TSC's products are not used in servers, desktops, or laptops
Materials Sourcing				
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	3.2.2 Conflict Minerals Management	66	No use of tantalum, tin, tungsten, gold (3TG), or cobalt minerals sourced from conflict-affected regions. TSC conducts an annual conflict minerals survey across its supply chain, requiring suppliers to sign the "Declaration of Non-use of Conflict Minerals"
Intellectual Property Protection and Competitive Behavior				
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	1.3.2 Regulatory Compliance	34	In 2025, there were no major violations related to anti-corruption, anti-competitive behavior, money laundering, or insider trading

Appendix III: Climate-Related Information of TPEx Listed Company

In accordance with the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies," the following table is disclosed:

Item	Implementation Status
1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	Please refer to "5.1.1 Climate Governance and Strategies"
2. Describe how identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term).	
3. Describe the financial impact of extreme weather events and transition actions.	
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	
6. If a transition plan is in place to manage climate-related risks, describe the plan's content, and the metrics and targets used to identify and manage physical and transition risks.	
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	There is currently no relevant plan in place; the Company is studying the matter.
8. If climate-related targets have been set, describe the activities covered, GHG emissions scope, planning timeline, and annual progress toward achievement; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve such targets, describe the source and quantity of the offset carbon credits or the quantity of RECs.	Please refer to "5.1.1 Climate Governance and Strategies – Metrics and Targets"
9. Greenhouse gas inventory and assurance status.	Please refer to "5.1.2 Greenhouse Gas Emissions and Management" and Appendix IV.

Appendix IV: GHG Inventory and Assurance Status

Basic Company Information

- ☐ Companies with capital of NT$10 billion or above, the steel industry, and the cement industry
- ☐ Companies with capital of NT$5 billion or above but under NT$10 billion
- ■ Companies with capital under NT$5 billion

In accordance with the Sustainability Development Roadmap for Listed and OTC Companies, the following must be disclosed at minimum

- ■ Parent Company Individual Inventory
- ☐ Consolidated Financial Statement Subsidiary Inventory
- ☐ Parent Company Individual Assurance
- ☐ Consolidated Financial Statement Subsidiary Assurance

SC Greenhouse Gas Emissions Statistics, 2023–2025

		2023	2024	2025
Greenhouse Gas Emissions (Metric Tons CO_2e)	**Scope 1**	4,742.84	7,646.82	13,716.05
	Scope 2	37,251.39	26,629.36	18,424.44
Total Scope 1 + 2 Emissions		41,994.22	34,276.18	32,140.49
Greenhouse Gas Emissions Intensity (Metric Tons CO_2e / NT$ Million)		2.87	2.31	1.79
Other Emissions	**Scope 3**	15,755.42	20,176.18	20,856.732

Note:

1. The statistical scope includes the parent company and its subsidiaries Yangxin Everwell Electronic Co., Ltd. and Tianjin Everwell Technology Co., Ltd.; the remaining consolidated financial statement subsidiaries will be progressively inventoried. In accordance with the "Sustainability Development Roadmap for Listed and OTC Companies," the Company is required to disclose the 2025 parent company individual inventory information in 2026, the 2026 consolidated company inventory information in 2027, the 2027 parent company individual inventory information and assurance status in 2028, the 2028 consolidated company inventory information and assurance status in 2029, and Scope 3 greenhouse gas emissions information for the preceding year starting in 2032. This year, the 2025 parent company individual inventory information has been completed; inventory status for consolidated financial statement subsidiaries other than the parent company is voluntarily disclosed.
2. Inventory data is calculated in accordance with the ISO 14064-1:2018 version. Scope 1 (direct emissions, i.e., emissions directly from sources owned or controlled by the Company), Scope 2 (energy indirect emissions, i.e., indirect greenhouse gas emissions from purchased electricity, heat, or steam)
3. Intensity is calculated as total emissions (metric tons) / annual consolidated revenue (NT$ million)
4. The Li-Je Site is designated by the Ministry of Environment as a greenhouse gas emission source subject to mandatory inventory registration and verification; accordingly, in accordance with the Ministry of Environment's Greenhouse Gas Emissions Inventory Guidelines, GWP values from the IPCC AR5 Assessment Report were also used to calculate emissions, with inventory results showing total Category 1 emissions of 10,168.8239 tCO_2e and total Category 2 emissions of 10,100.3712 tCO_2e.

Appendix V: Sustainability Disclosure Indicators- Semiconductor Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Section	Page Number
1	Total energy consumed, percentage of purchased electricity, and renewable energy usage rate	Quantitative	(1) 218,695.30 GJ (2) 99.39% (3) 42.70%	Gigajoules (GJ), Percentage (%)	5.2 Energy Resource Management	123
2	Total water withdrawn and total water consumed	Quantitative	(1) Total water withdrawal was 762.92 million liters (thousand cubic meters) (2) Total water consumption was 103.66 million liters (thousand cubic meters)	Thousand Cubic Meters (1,000 m^3)	5.3.1 Water Usage Management	129
3	Amount of hazardous waste generated and percentage recycled	Quantitative	(1) Hazardous waste weight was 995.49 metric tons (2) Recycling percentage was 18.39%	Metric Tons (t), Percentage (%)	5.4.1 Waste Management	133
4	Description of the types of occupational injuries, number of injuries, and rates	Quantitative	(1) Injury type: falls (2) Number of recordable occupational injuries: 2 (3) Recordable occupational injury rate: 0.72	Number, Rate (%)	4.2 Protecting Workplace Environment	95
5	Disclosure of product lifecycle management: weight of end-of-life products and electronic waste, and the percentage recycled	Quantitative	(1) E-waste weight: 3.99 metric tons (2) Recycling rate: 100.00%	Metric Tons (t), Percentage (%)	5.4.1 Waste Management	133
6	Description of the management of risks associated with the use of critical materials	Qualitative Description	No use of tantalum, tin, tungsten, gold (3TG), or cobalt minerals sourced from conflict-affected regions. TSC conducts an annual conflict minerals survey across its supply chain, requiring suppliers to sign the "Declaration of Non-use of Conflict Minerals"	Not Applicable	3.2.2 Conflict Minerals Management	66
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	In 2025, there were no major violations related to anti-corruption, anti-competitive behavior, money laundering, or insider trading	Reporting Currency	1.3.2 Regulatory Compliance	34
8	Total production of primary products by product category	Quantitative	TSC's core rectifier products reached an annual output of 7,299,197 Kpcs in 2025	Varies by product type	2.1 R&D and Innovation	44

Appendix VI: Independent Limited Assurance Report

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Independent Limited Assurance Report

To Taiwan Semiconductor Co., Ltd.:

We were engaged by Taiwan Semiconductor Co., Ltd. ("TSC") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2025 Sustainability Report of TSC ("the Report") for the year ended December 31, 2025.

Applicable Criteria of the Subject Matter Information

TSC shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies ("the Rules") and Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

Management's Responsibilities

TSC is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. TSC is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of TSC;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2025 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of TSC. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Kuo, Yang-Lun.

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Taipei, Taiwan (Republic of China)
August 18, 2026

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Appendix I：Summary of the Subject Matter Information

<table>
<tr><th>No.</th><th>Corresponding Section</th><th>Subject Matter Information</th><th>Applicable Criteria</th></tr>
<tr><td>1</td><td>1.3.2
Regulatory Compliance</td><td>■ In 2025, there were no major violations related to anti-corruption, anti-competitive behavior, money laundering, or insider trading; however, one case involving a violation of the Water Pollution Control Act constituted another significant legal violation (Note1). In total, there were two cases of violation of the Water Pollution Control Act and one case of violation of the Labor Standards Act in 2025. All issues were rectified within the stipulated deadlines, and follow-up improvement plans and procedural measures were implemented.

Note1: In accordance with Article 4 of the “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities” a material violation refers to any single incident where the cumulative fine reaches or exceeds NT$1 million.

■ Summary of Violations in 2025

<table>
<tr><th>Sanctioned Site</th><th>Deficiencies</th><th>Fine (NT$)</th></tr>
<tr><td>I-lan Site</td><td>In February 2025, the site was penalized in accordance with the law for violating Article 32, Paragraph 2 of the Labor Standards Act.</td><td>$50,000</td></tr>
<tr><td>Li-je Site</td><td>In April 2025, the Environmental Protection Bureau collected samples from the site's effluent outlet and found that the discharge did not meet the standard (nitrate nitrogen exceeded the limit; regulatory standard of 50 mg/L versus a measured value of 61.4 mg/L). The site was penalized for violating Article 7, Paragraph 1 of the Water Pollution Control Act, in accordance with Article 40, Paragraph 1 of the same Act. An environmental education course was also imposed in accordance with Article 23, Item 2 of the Environmental Education Act.</td><td>$816,000</td></tr>
<tr><td>Li-je Site</td><td>In August 2025, the Environmental Protection Bureau conducted two days of sampling at the site's effluent outlet and found that the discharge did not meet the standards (nitrate nitrogen and fluoride ions exceeded the limits; regulatory standards of 50 mg/L for nitrate nitrogen and 15 mg/L for fluoride ions, with measured peak values of 94.6 mg/L for nitrate nitrogen and 23.7 mg/L for fluoride ions). The site was penalized for violating Article 7, Paragraph 1 of the Water Pollution Control Act, in accordance with Article 40, Paragraph 1 of the same Act. An environmental education course was also imposed in accordance with Article 23, Item 2 of the Environmental Education Act.</td><td>$1,207,800</td></tr>
</table>
</td><td>GRI Standards
2-27
Regulatory Compliance</td></tr>
</table>

<table>
<tr><th>No.</th><th>Corresponding Section</th><th>Subject Matter Information</th><th>Applicable Criteria</th></tr>
<tr><td>2</td><td>5.2.2
Energy Resource management</td><td>■ Energy Consumption Unit: GJ
<table>
<tr><th></th><th></th><th>2025</th></tr>
<tr><td rowspan="4">Non-renewable energy</td><td>Liquefied Petroleum Gas</td><td>0.64</td></tr>
<tr><td>Diesel</td><td>80.84</td></tr>
<tr><td>Gasoline</td><td>333.99</td></tr>
<tr><td>Purchased electricity</td><td>123,991.48</td></tr>
<tr><td rowspan="2">Renewable energy</td><td>Purchased electricity</td><td>93,391.20</td></tr>
<tr><td>Purchased Renewable Energy Certificates</td><td>0</td></tr>
<tr><td colspan="2">Total Organizational Energy Consumption</td><td>217,798.14</td></tr>
<tr><td colspan="2">Purchased Electricity as a Percentage of Total Energy Consumption (%)</td><td>99.81%</td></tr>
<tr><td colspan="2">Renewable Energy Usage Ratio (%)</td><td>42.88%</td></tr>
</table>
Note:
1.Gasoline is not differentiated by octane rating.
2.Conversion factors are based on the "Energy Product Unit Calorific Value Table" published in the Energy Statistics Handbook 2024 by the Bureau of Energy, Ministry of Economic Affairs: Liquefied Petroleum Gas 10,832 kcal/kg (1 kg LPG = 0.0454 GJ), Diesel 8,629 kcal/L (1 L diesel = 0.0361 GJ), Gasoline 7,520 kcal/L (1 L gasoline =0.0315 GJ), Electricity 860 kcal/kWh (1 kWh = 0.0036 GJ).
3.The above figures are rounded to two decimal places.
4.There is no heating, cooling, or steam consumption, nor any sold electricity, heating, cooling, or steam.
5.In 2025, total non-renewable energy consumption was 124,406.94 GJ, and total renewable energy consumption was 93,391.20 GJ, with renewable energy accounting for 42.88% of total energy consumption.</td><td>GRI Standards
302-1
Energy consumption within the organization</td></tr>
<tr><td>3</td><td>5.2.2
Energy management</td><td>■ Energy intensity in 2025 was 33.90.
Note:
1.Energy Intensity = Internal Organizational Energy Consumption (GJ) / Consolidated revenue (NT$ million).
2.Revenue is sourced from consolidated financial statements; energy category totals include both renewable and non-renewable energy, covering fuel and electricity.
3.The calculation basis for energy intensity differs by year; for 2025, the denominator was changed to consolidated revenue (NT$ million) excluding specific subsidiaries.</td><td>GRI Standards
302-3
Energy intensity</td></tr>
<tr><td>4</td><td>5.3.1
Water Usage Management</td><td>TSC conducts an annual inventory of water risk hotspots using the Aqueduct water risk assessment tool developed by the World Resources Institute (WRI); the results show that the Shandong Site is located in an area of extremely high water stress, while the Tianjin Site is in an area of high water stress.</td><td>GRI Standards
303-3
Water withdrawal</td></tr>
</table>

<table>
<tr><th>No.</th><th>Corresponding Section</th><th>Subject Matter Information</th><th>Applicable Criteria</th></tr>
<tr><td>4</td><td>5.3.1
Water Usage Management</td><td>■ 2025 Water Withdrawal Volume by Site
Unit: Megaliters
<table>
<tr><th colspan="2"></th><th>Li-je Site</th><th>I-lan Site</th><th>Shandong Site</th></tr>
<tr><td rowspan="4">Water withdrawal</td><td>Surface water</td><td>216.52</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Groundwater</td><td>0.00</td><td>35.35</td><td>64.51</td></tr>
<tr><td>Third-party water (tap water)</td><td>25.73</td><td>2.47</td><td>109.97</td></tr>
<tr><td>Total water withdrawal</td><td>242.25</td><td>37.82</td><td>174.48</td></tr>
</table>
<table>
<tr><th colspan="2"></th><th>Tianjin Site</th><th>Other offices site</th><th>TSC Total</th></tr>
<tr><td rowspan="4">Water withdrawal</td><td>Surface water</td><td>0.00</td><td>0.00</td><td>216.52</td></tr>
<tr><td>Groundwater</td><td>0.00</td><td>0.00</td><td>99.86</td></tr>
<tr><td>Third-party water (tap water)</td><td>305.68</td><td>2.50</td><td>446.35</td></tr>
<tr><td>Total water withdrawal</td><td>305.68</td><td>2.50</td><td>762.73</td></tr>
</table>
Note:
1.Third-party water (tap water) and surface water withdrawal data are sourced fromwater bills; groundwater withdrawal data are sourced from site meter readings.
2.The data covers all production sites and other office locations (Taipei headquarters, Hsinchu, and Hong Kong Office). Taipei headquarters data is calculated by allocating the office building's water bill proportionally by floor. As these locations are purely office in nature, there is no separate water meter for discharge volume. The Shanghai Office's water fees are included in the leased office's property management fees, so no separate data is available.
3.According to the WRI Aqueduct Tool, water stress is calculated as: annual total water withdrawal / annual total available renewable water supply; a water stress ratio between 40%–80% indicates a high water stress area, and >80% indicates an extremely high water stress area. All of TSC's water withdrawal sources are freshwater (≤1,000 mg/L total dissolved solids); the water stress index for Taiwan production sites (including the Li-Je and I-lan Sites) is below 40%; the Tianjin Site is in a high water stress risk area; the Shandong Site is in an extremely high water stress risk area, accounting for approximately 40% and 23% of TSC's total water withdrawal and consumption, respectively. Other office locations are all in low water stress risk areas.
4.TSC had no produced water or seawater withdrawal sources in 2025.</td><td>GRI Standards
303-3
Water Usage Management</td></tr>
<tr><td>5</td><td>4.2.1
Safe Workplace and Social Engagement</td><td>■ Occupational Safety Incidents and Statistics

I-lan Site: 1 incident
An employee tripped over a cart and fell.

Shandong Site: 2 incidents
1. Fell due to slippery ground from snow during equipment inspection rounds
2. Fell while jogging in the workshop corridor
Following the incidents, an investigation into the causes of both falls was</td><td>GRI Standards
403-9
Work-related injuries</td></tr>
</table>

<table>
<tr><th>No.</th><th>Corresponding Section</th><th>Subject Matter Information</th><th>Applicable Criteria</th></tr>
<tr><td></td><td></td><td>immediately conducted, along with a comprehensive review and improvement; all employees were reminded to observe their surroundings and maintain steady footing while walking on-site, and running or jumping is prohibited except in emergencies; anti-slip mats were also laid during the winter to reduce the risk of slipping.

2025 Work-related Injury Indicators
<table>
<tr><th>Category</th><th>Total</th></tr>
<tr><td>Total Working Hours</td><td>2,760,704</td></tr>
<tr><td>Number of Recordable Occupational Injuries (Excluding Severe Injuries and Fatalities)</td><td>3</td></tr>
<tr><td>Recordable Occupational Injury Rate</td><td>1.09</td></tr>
<tr><td>Disabling Injury Frequency Rate (FR)</td><td>1.09</td></tr>
<tr><td>Number of Severe Occupational Injuries (Excluding Fatalities)</td><td>0</td></tr>
<tr><td>Severe Occupational Injury Rate (Excluding Fatalities)</td><td>0</td></tr>
<tr><td>Disabling Injury Severity Rate (SR)</td><td>37.31</td></tr>
<tr><td>Lost Workdays</td><td>103</td></tr>
<tr><td>Number/Rate of Fatalities</td><td>0/0</td></tr>
</table>
1. Total working hours are calculated as：Annual working days × Average daily working hours × Number of employees as of 12/31.
2. The number of occupational injuries does not include traffic accidents occurring during commuting.
3. Occupational Injury Rate = Number of Occupational Injuries ÷ Total Working Hours × 1,000,000.
4. Definition of Severe Occupational Injury: An injury resulting in death, or one from which a worker is unable or unlikely to recover to their pre-injury state of health within six months.
5. Severe Occupational Injury Rate = Number of Severe Occupational Injuries ÷ Total Working Hours × 1,000,000.
6. There were 30 non-employee on-site workers, with a total of 58,912 working hours for the year, primarily annual on-site security and cleaning personnel in Taiwan and China; no occupational injury or disease cases occurred
7. Disabling Injury Frequency Rate (FR) = Number of Disabling Injuries (including fatalities) ÷ Total Working Hours × 1,000,000.
8. Disabling Injury Severity Rate (SR) = Total Lost Workdays ÷ Total Working Hours × 1,000,000.</td><td></td></tr>
</table>

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<table>
<tr><th>No.</th><th>Corresponding Section</th><th>Subject Matter Information</th><th>Applicable Criteria</th></tr>
<tr><td>6</td><td>5.4.1
Waste Management</td><td>■ 2025 Total Waste Volume
Unit: Metric Tons
<table>
<tr><th>Category</th><th>Item</th><th>Off-site</th><th>On-site</th></tr>
<tr><td rowspan="4">Direct disposal</td><td>Incineration (with energy recovery)</td><td>80.23</td><td>0</td></tr>
<tr><td>Incineration (without energy recovery)</td><td>49.60</td><td>0</td></tr>
<tr><td>Landfilling</td><td>4.12</td><td>0</td></tr>
<tr><td>Other Disposal</td><td>678.48</td><td>0</td></tr>
<tr><td rowspan="3">Reuse</td><td>Preparation for Reuse</td><td>110.08</td><td>0</td></tr>
<tr><td>Recycling</td><td>72.97</td><td>0</td></tr>
<tr><td>Other Recovery operations</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Total Hazardous Waste</td><td>995.48</td><td>0</td></tr>
</table>
Note:
1.Other disposal methods include physical treatment, among others.
2.The reuse rate for hazardous business waste was 18.39% (including preparation for reuse, recycling, and other recovery operations), calculated as the proportion of reused hazardous waste to total hazardous waste. The data in the table covers all TSC production units. Office branches in Taipei, Hsinchu, and overseas are excluded.
3.The statistics in the table cover all of TSC's production units, excluding Taipei, Hsinchu, and overseas office locations.</td><td>The Rules
Table 1-8 No.3
Total hazardous waste generated and percentage recycled</td></tr>
</table>

TAIWAN SEMICONDUCTOR

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