

KnowTheChain 2022 ICT Benchmark

Additional Disclosure

Company Name: Microchip Technology Incorporated

Date: August 26, 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

The ILO Core Labor Standards (freedom of association, elimination of forced labor, abolition of child labor, and elimination of discrimination in employment) are addressed in our Supplier Code of Conduct and apply down our supply chain. On page 1 of our Supplier Code of Conduct we state "that all suppliers be dedicated to ensuring that working conditions within its supply chain are safe, that workers within its supply chain are treated with respect and dignity, and that business operations within its supply chain are environmentally responsible, conducted ethically, and are in compliance with all applicable laws, rules, and regulations."

<https://www.microchip.com/content/dam/mchp/documents/corporate-responsibility/corporate-responsibility-legal/microchips-supplier-code-of-conduct.pdf>

Further, the ILO Core Labor Standards are covered in our Human Rights Policy. We reference on page 1 of our Human Rights Policy that it applies to our supply chain. We "require our supply chain to implement human rights principles in their operations."

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/investordocuments/corporate-governance/HR-650-Human-Rights-Policy.pdf>

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

In our Sustainability Report for 2021 we have discussed our supply chain program enhancements regarding forced labor communications and assessment within our suppliers. We have communicated with 80% of our manufacturing supply chain partners (by spend) and received a 91% response rate, with 90% of the respondents meeting our requirements. We continue to follow up with the remaining supply chain partners that have not yet responded, and we continue to investigate certain suppliers. You can find this information on page 32 of our 2021 Sustainability Report.

https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/sustainability/2021-Microchip-Sustainability-Report_web.pdf

We also talk about our supply chain program enhancements on page 2 and 3 of our Report Regarding Ethical Recruitment and Forced Labor.

<https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/ethics-and-conducts/Report-Regarding-Ethical-Recruitment-and-Forced-Labor.pdf>

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

We have a committee, called the “Strategic Purchasing Council,” that is responsible for implementation of our supply chain policies. For environmental, social and governance (“ESG”)-related matters, the Strategic Purchasing Council is overseen by our ESG Steering Committee, and the ESG Steering Committee is further overseen by the Nominating, Governance and Sustainability Committee of our Board of Directors. You can see our ESG sustainability oversight matrix on page 17 of our Sustainability Report for 2021, and we reference some of the work done by our Strategic Purchasing Council on page 32.

https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/sustainability/2021-Microchip-Sustainability-Report_web.pdf

We further discuss our ESG Steering Committee and their oversight by the Nominating, Governance and Sustainability Committee of our Board of Directors regarding supply chain transparency and combatting forced labor issues in our 2022 Proxy - see our Executive Chair and CEO letter (unnumbered page 5 of the proxy), and within the proxy at numbered page 6.

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/annual/fy22/pdf/2022+Proxy+Statement.pdf>

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

We describe on page 17 of our Sustainability Report for 2021 how our Nominating Governance and Sustainability Committee, and our Board of Directors oversee ESG topics, which would include human rights matters such as forced labor.

https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/sustainability/2021-Microchip-Sustainability-Report_web.pdf

We describe how we update our Board and Nominating, Sustainability and Governance Committee on ESG matters on page 3 of our 2022 Report Regarding Ethical Recruitment and Forced Labor.

<https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/ethics-and-conducts/Report-Regarding-Ethical-Recruitment-and-Forced-Labor.pdf>

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

Our form SD for calendar 2021 was filed May 27, 2022, and provides names and locations for certain suppliers.

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/filings/fy23/Form+SD+and+CMR+as+Filed+05.27.2022+%28Conflict+Minerals%29.pdf>

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

Our form SD for calendar 2021 was filed May 27, 2022, and provides names and locations for certain suppliers.

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/filings/fy23/Form+SD+and+CMR+as+Filed+05.27.2022+%28Conflict+Minerals%29.pdf>

We also describe our methods to identify smelters on page 31 of our Sustainability Report for 2021.

https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/sustainability/2021-Microchip-Sustainability-Report_web.pdf

And we have an RCOI process document that can be found here:

https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/conflict-minerals/Microchip%27s_RCOI_Process_Description_For_ICs_Manufactured_by_Microchip_20200629.pdf

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

Our smelter and the countries of origin for our 3TG smelter are listed in our form SD for calendar 2021 which was filed May 27, 2022.

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/filings/fy23/Form+SD+and+CMR+as+Filed+05.27.2022+%28Conflict+Minerals%29.pdf>

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through

engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

In our Sustainability Report for 2021 we have discussed our supply chain program enhancements regarding forced labor communications and assessment within our suppliers. We have communicated with 80% of our manufacturing supply chain partners (by spend) and received a 91% response rate, with 90% of the respondents meeting our requirements. We continue to follow up with the remaining supply chain partners that have not yet responded, and we continue to investigate certain suppliers. You can find this information on page 32 of our 2021 Sustainability Report.

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We also talk about this program on page 2 and 3 of our 2022 Report Regarding Ethical Recruitment and Forced Labor.

<https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/ethics-and-conducts/Report-Regarding-Ethical-Recruitment-and-Forced-Labor.pdf>

INDICATOR 6: PURCHASING PRACTICES

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

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INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

We currently have a grievance mechanism regarding compliance with laws, that would include labor and safety laws, that can be found here in section 2.8, page 5 of our Compliance with Laws Policy:

<https://ww1.microchip.com/downloads/aemDocuments/documents/financial/investordocuments/corporate-governance/Compliance+with+Laws+%28Copy+for+reference+only%29.pdf>

We are continuing to work on upgrading our grievance mechanism as described on page 3 of our 2022 Report Regarding Ethical Treatment and Forced Labor.

<https://ww1.microchip.com/downloads/aemDocuments/documents/corporate-responsibility/ethics-and-conducts/Report-Regarding-Ethical-Recruitment-and-Forced-Labor.pdf>

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

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11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

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NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

<https://www.microchip.com/content/dam/mchp/documents/corporate-responsibility/corporate-responsibility-hr/Microchip%20Slavery%20and%20Human%20Trafficking%20Statement%20for%20calendar%202017.pdf>

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

<https://www.microchip.com/content/dam/mchp/documents/OTH/LegalDocuments/LegalDocuments/california-transparency-in-supply-chains-act-disclosure.pdf>

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

This Act is not applicable to us.