



# 2023 Sustainability Report

---



# In This Report

## Introduction



4 About This Report

5 Message from the CEO

6 2023 ESG Highlights

## Our Company



8 About Us

9 Robust Product Portfolio

10 Innovating for the Future

11 Leadership and Governance

12 Ethics and Integrity

13 Compliance with Laws

14 Cyber Risk Management

15 Stakeholder Engagement

16 Sustainability Approach

17 ESG Assessment

18 2023 ESG Topics

19 External Recognition and Affiliation

## Our Planet



21 Environmental Responsibility

22 Emissions and Climate Change

24 Energy Use and Efficiency

26 Water Conservation and Management

28 Waste Diversion and Recycling

## Our Supply Chain



30 Human Rights

31 Supplier Engagement

32 Responsible Minerals Sourcing

33 Business Continuity

## Our Products



35 Environmentally Preferable Products

36 Sustainable by Design

37 Enabling Future Innovation

38 Global Product Compliance Laws

## Our People



40 Values and Culture

41 CEO Diversity Statement

42 Diversity and Inclusion

44 Workforce Demographics

45 Employee Recruitment and Retention

46 Total Rewards

47 Employee Engagement

48 Community Involvement

54 Environmental Health and Safety

## Appendices



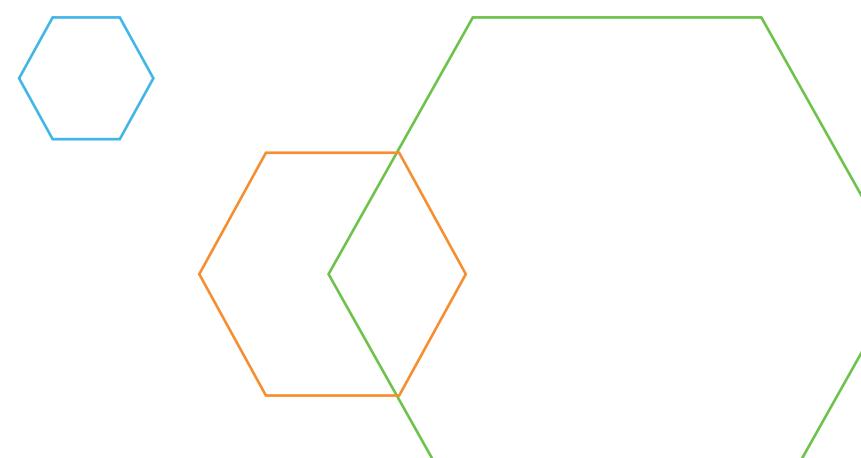
56 ESG Performance Summary

59 GHG Verification Statement

60 Global Reporting Initiative (GRI) Content Index

68 Sustainability Accounting Standards Board (SASB) Content Index

69 Task Force on Climate-Related Financial Disclosures (TCFD) Index





# Introduction

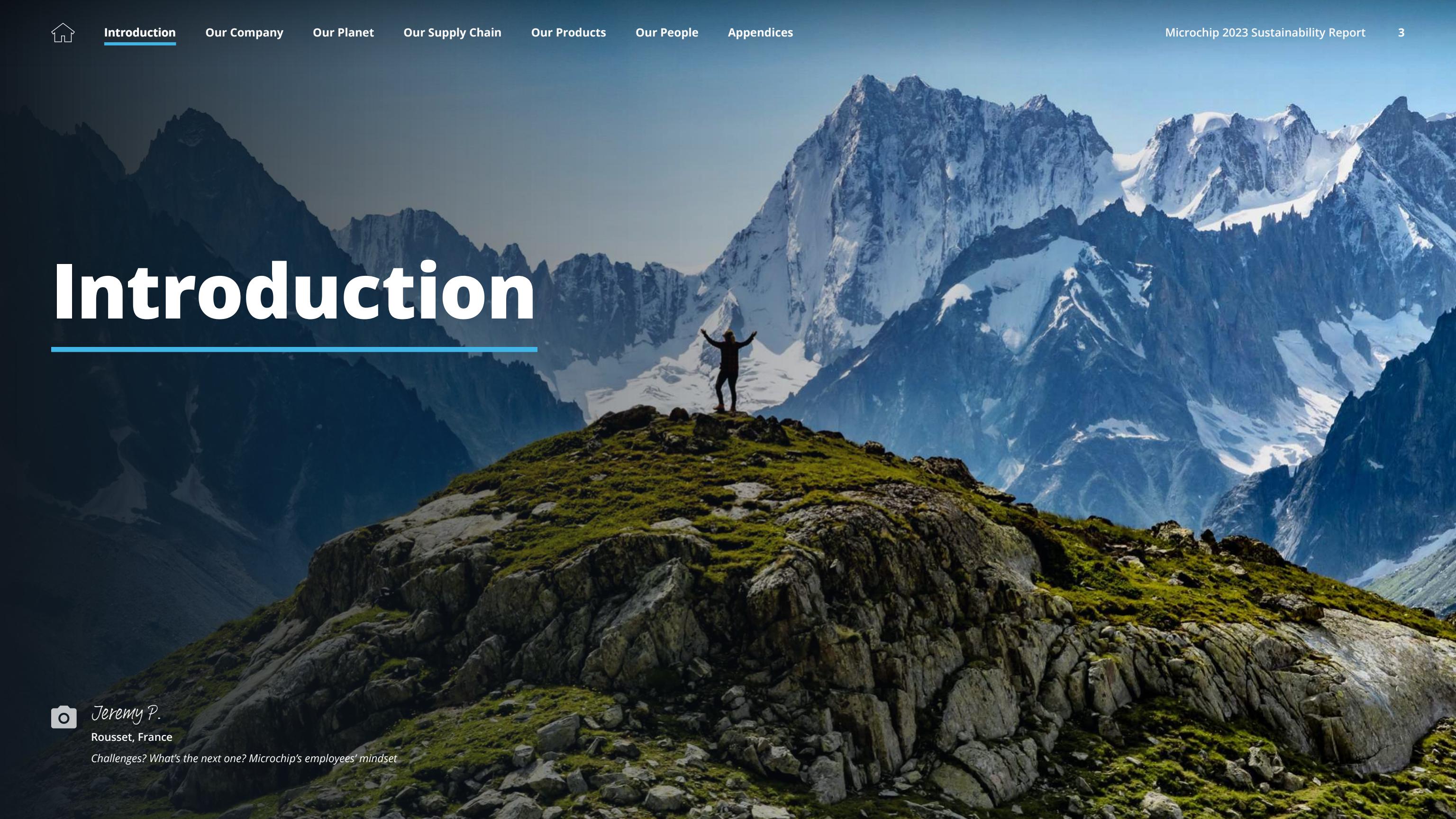
---



Jeremy P.

Rousset, France

*Challenges? What's the next one? Microchip's employees' mindset*





# About This Report

This is Microchip Technology Incorporated's annual Sustainability Report covering our performance during calendar year 2023, except as noted. We welcome your feedback via our [Corporate Responsibility](#) page on our website.

## Disclaimer

When evaluating Microchip Technology Incorporated and its business, you should consider the factors listed in our Form 10-K, Forms 10-Q, other documents that we file with the U.S. Securities and Exchange Commission (SEC), and publications we make publicly available. In this report, we make forward-looking statements. Our actual results could differ materially from what is presented in this report. Although we believe that the information discussed in this report is reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. You should not place undue reliance on these statements. We recommend that you review the risk factors included in our most recently filed Form 10-K or 10-Q. We disclaim any obligation to update information contained in this report. Items referenced but not included in this report are not incorporated herein by reference.

In March 2024, the SEC finalized rules governing certain disclosures related to climate and the environment. Those rules have not been implemented at this time due to pending legal challenges. While this report incorporates many of the principles set forth in the proposed rules, it is not intended to align with the proposed SEC rules.

## Environmental Suggestion

Because of this report's length and colors, we recommend you avoid printing when possible or printing in black and white, double-sided, on a high-efficiency network printer, using white paper produced from post-consumer recycled fiber or from rapidly renewable resources.



Microchip's annual employee photo contest featured remarkable submissions from our global team members. These outstanding contributions highlight our collective efforts towards sustainability. Each submission is marked with a camera icon, and category winners are highlighted in the report.



Indian Ocean Islands: Schooner transiting the archipelago

Rob B.

Arizona, USA



# Message from the CEO

Dear Stakeholders,

This past year, Microchip continued to make progress towards our sustainability goals. As you see in the following pages, this progress is a testament to the dedication of our approximately 23,000 employees and partners in every location around the world and in every facet of our business. At Microchip, **One Team, One Goal** means incorporating sustainability in all we do.

In 2023, our Product Portfolio continued to focus on technology that makes the world a better place for our customers as well as the users of their products. We work to innovate and provide environmentally-preferred products for markets ranging from data centers and computing to automotive, industrial, communications, and consumer appliances.

We also take great pride in our focus on the well-being of our employees and the communities in which we live and work. We fully embrace the idea that a commitment to the greater good results in a positive impact that resonates throughout our organization and around the world.



A few highlights from our 2023 report include:

- Realizing a further reduction in total Scope 1 and 2 emissions as we work towards our 2030 goal of a 50% reduction
- Increasing our use of renewable energy by 9% from 2022 to 2023 (100%+ increase year-over-year)
- Achieving a 75% waste diversion rate from landfills in 2023
- Furthering our management and oversight of our supply chain partners to ensure transparency and minimize risk through our Supply Chain Management Approach
- Receiving recognition from numerous third-party publications and organizations including ratings as one of "America's Most Responsible Companies" from *Newsweek* and as one of the "World's Top Female-Friendly Companies" from *Forbes/Statista*

- Increasing the number of local community initiatives in our locations in Asia, Europe, and North America

We appreciate all of the hard work and diligence of every Microchip team member that has made this progress possible. As we look towards 2024, our commitment to advancing our sustainability goals aligned with our business objectives remains stronger than ever.

**Ganesh Moorthy**

President and Chief Executive Officer

Our progress in 2023 is a testament to the dedication of our approximately 23,000 employees and partners in every location around the world and in every facet of our business."



## 2023 ESG Highlights

# 100%+

increase in percentage of  
renewable energy use over 2022

America's Most  
Responsible  
Companies 2023,  
Newsweek



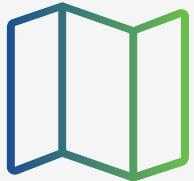
# 75%

of total waste diverted  
from landfills in 2023

Most Inclusive  
Workplaces in  
America, Best  
Companies  
Group



Completion of  
Net Zero Roadmap  
and Climate Scenario  
Analysis



# 8,334

cumulative volunteering hours by  
2,377 employees across 121 events

Supplier  
Responsibility  
Survey launched  
with environmental  
and forced  
labor topics



# 19%

reduction in Scope 1 and 2 emissions  
compared to 2018 baseline

2023 Most Influential  
Corporate Board Directors,  
Women, Inc.

WomenInc.

# 100%

leaders trained on  
diversity and inclusion



Opportunities are reserved for those who are prepared



# Our Company

While Microchip's primary mission is to deliver top-notch embedded control and processing solutions to our customers, we recognize the broader influence we wield as a company on both people and on the planet. This awareness propels us to actively seek ways to make a positive impact in our operations and consistently pursue this objective with unwavering dedication.



Ron T.

Arizona, USA

*Sunrise at Microchip (Winner "Our Company" Category)*



## About Us

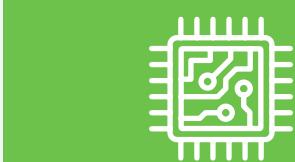
Microchip is a leading provider of smart, connected, and secure embedded control and processing solutions. Its easy-to-use development tools and comprehensive product portfolio enable customers to create optimal designs, which reduces risk while lowering total system cost and time to market.

The company's solutions serve approximately 125,000 customers across the automotive, aerospace and defense, communications, consumer appliances, data centers and computing, and industrial markets. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. Learn more about [Our Company](#) on our website.



# Robust Product Portfolio

We are a leading provider of smart, connected and secure embedded control and processing solutions that enable low-risk product development, lower total system cost and faster time to market for thousands of diverse applications for the industrial, automotive, consumer, aerospace and defense, communications and computing markets. In our pursuit of technological innovation and environmental responsibility, we are committed to creating products that drive sustainable solutions. Our diverse product portfolio not only meets the evolving needs of our customers, but also adheres to stringent sustainability standards. By integrating energy-efficient designs and eco-friendly manufacturing processes, we strive to minimize our environmental impact while delivering high-quality, reliable solutions.



## Processors

- 8-, 16-, and 32-Bit MCUs
- Digital Signal Controllers
- Microprocessors
- FPGAs PLDs



## Connectivity

- CAN, CAN2 and CAN FD
- Bluetooth, Wi-Fi, Zigbee
- Ethernet, Optical Networking
- RF Modules and Microwave Solutions



## Touch

- MaxTouch Touchscreen Controllers
- GestIC Air Gesture Controllers
- Proximity Touchscreens
- MCUs with Capacitive Touch



## Sensor and Motor Drive

- Current/Voltage/Power Monitor ICs
- CO/Smoke Detector Horn Driver ICs
- Motor Drivers
- Temperature Sensors



## Security Products

- Authentication ICs
- Root of Trust Controllers
- MCUs w/ Integrated Security
- Secure FPGAs and SoC FPGAs
- Trust Platforms



## Interface and Connectivity

- CAN, CAN2 and CAN FD
- Ethernet Switches, PHYs, Controllers
- Power-over-Ethernet (PoE)
- LIN Bus Networking
- Line Circuits and Drivers
- PCIe™ Switches
- USB Hubs, Switches and Transceivers
- USB-C Power Delivery Controllers



## Analog and Mixed Signal

- In Amps, Op Amps and PGAs
- DACs and ADCs
- AC/DC Power and Energy Devices
- Current/Voltage/Power Monitors
- Digital Potentiometers
- Voltage References



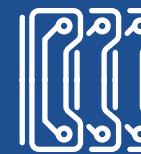
## Power Management

- Silicon Carbide Products
- MOSFETs
- LDOs and Battery Management
- DC-DC Switching Converters
- Voltage Supervisors and References
- Battery Chargers Gate Drivers
- AC-DC Power Converters
- Electromechanical Voltage Relays



## Clock and Timing

- Atomic Clocks
- GNSS Disciplined Oscillators
- Clock Generators and Buffers
- Oscillators
- Real-Time Clocks
- Jitter Attenuators
- PCIe™ Timers
- High Performance Timing Systems



## Memory and Storage

- Serial EERAM and Serial EEPROM
- Serial and Parallel FLASH Memory
- Serial SRAM and Serial NVRAM
- Adaptec Host Bus Adaptor
- Adaptec SmartRAID RAID Adaptors
- Smart IOC I/O Controllers
- SXP SAS Expanders

# Innovating for the Future

We carefully track megatrends and their impact across a variety of industries, from industrial to consumer products.



# Leadership and Governance

## Board of Directors<sup>1</sup>

Microchip is led by an eight-member Board of Directors (BOD) that provides governance and oversight to the company.

### Ganesh Moorthy

*President and Chief Executive Officer,  
Joined 2021<sup>2</sup>*

### Matthew W. Chapman

*Board Member*

### Steve Sanghi

*Executive Chair*

### Wade F. Meyercord

*Lead Independent Director*

### Ellen Barker

*Board Member, Joined 2024<sup>2</sup>*

### Karlton Johnson

*Board Member, Joined 2021<sup>2</sup>*

### Robert Rango

*Board Member, Joined 2023<sup>2</sup>*

### Karen M. Rapp

*Board Member, Joined 2021<sup>2</sup>*

## Governance Highlights

The Microchip BOD is responsible for guiding overarching corporate policy as well as strategic direction, along with ensuring the company's continued success through supervision of the executive management team. The BOD's duties include appointing the Chief Executive Officer (CEO) and other principal officers, entrusting them with the day-to-day leadership of Microchip, and regularly assessing their performance. Strong corporate governance is essential to Microchip's sustained growth and is a commitment we uphold. We engage in periodic evaluations of our governance practices, and have implemented policies and procedures that are in the best interest of Microchip and its shareholders.

For additional information on our approach to governance practices, see our 2024 Proxy Statement and [Corporate Responsibility Presentation](#).

## Board Structure

The BOD's primary duty is to supervise the management of Microchip. The BOD is responsible for facilitating the succession planning for the CEO, endorsing candidates for directorship to be voted on at the annual meetings of shareholders, and appointing individuals to fill any vacancies that may arise on the Board. Additionally, the BOD reviews corporate objectives and strategies, and is tasked with the approval and evaluation of significant policies and substantial commitments of company's resources. To maintain a well-informed BOD, management provides updates through presentations at meetings with the BOD and its committees.

## Board Composition

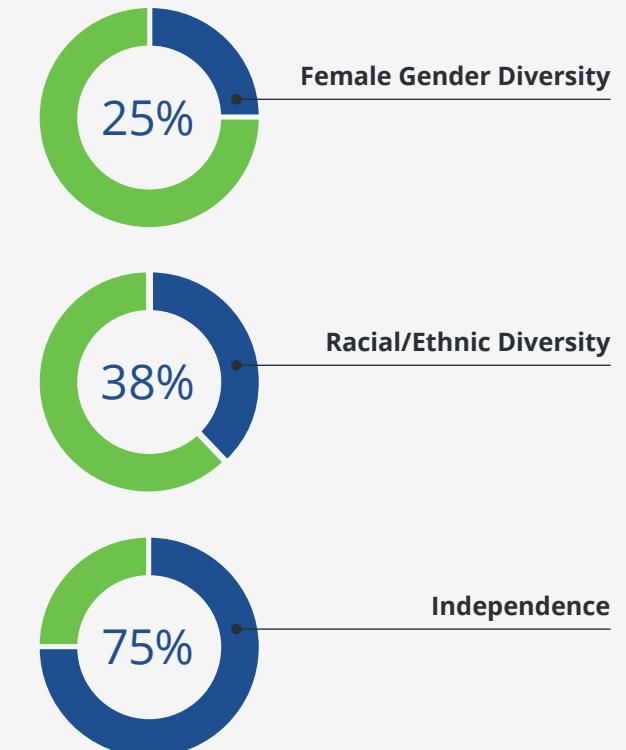
The BOD, in collaboration with the Nominating, Governance and Sustainability Committee (NGSC), is dedicated to assembling a Board that consists of exceptionally qualified members. Our aim is to ensure that the Board reflects a diverse range of leadership competencies and offers a rich repository of expertise, insights, and capabilities that align with and bolster Microchip's strategic ambitions, enduring objectives, and commercial endeavors. Simultaneously, the Board is focused on safeguarding shareholder interests, augmenting shareholder returns, and upholding our foundational corporate values, which are described in our Guiding Values.

When considering a candidate for a director position, the NGSC looks for demonstrated character and judgment; relevant business, functional, and industry experience; and a high degree of skill. The BOD believes it is important that the members of the board represent diverse viewpoints. Accordingly, the NGSC considers issues of diversity in identifying and evaluating director nominees, including differences in education, professional experience, viewpoints, technical skills, individual expertise, ethnicity, and gender.

## Strong Board Leadership

The BOD maintains the stance that a balance in the length of service among its members facilitates the seamless transfer of the organization's deep-seated knowledge from the longer-serving directors to the newer ones. This approach ensures that a diverse range of viewpoints is consistently brought to the table. The BOD enhanced its breadth of expertise, fostering gender diversity, and varying lengths of director tenures.

## Board of Directors Diversity and Independence



<sup>1</sup> All information in this section is as of March 31, 2024.

<sup>2</sup> As a result of ongoing Board refreshment, we have added five new directors between 2021 and 2024.



# Ethics and Integrity

## Purpose

Empowering innovation which enhances the human experience by delivering smart, connected and secure technology solutions.

## Vision

Be the very best embedded control and processing solutions company ever.



*Follow the Leader:* A spectacular view of hikers from Aiguille du Midi, a 12,605 ft peak in the French Alps made accessible by the world's tallest cable car system

Michelle T.  
Arizona, USA

## Mission Statement

Microchip Technology is a leading supplier of total system solutions—devices, software and services—delivering a broad spectrum of innovative standard and specialized mixed signal microcontrollers; FPGA products; analog, power, timing and security products; connectivity products; related non-volatile memory products and Flash-IP solutions.

In order to contribute to the ongoing success of customers, employees, shareholders and the communities in which we operate, our mission is to focus resources on high value total system solutions aligned with fast growing market megatrends, and to continuously improve all aspects of our business, providing an industry leading return on investment.

## Guiding Values

Our Guiding Values cover many aspects of corporate responsibility:

- Quality comes first
- Customers are our focus
- Continuous improvement is essential
- Employees are our greatest strength
- Products and technology are our foundation
- Total cycle times are optimized
- Safety and security are never compromised
- Profits and growth provide for everything we do
- Communication is vital
- Suppliers, representatives and distributors are our partners
- Professional ethics and social responsibility are practiced

See a full description of our [Guiding Values](#) on our website.

## Ethical and Responsible AI at Microchip



At Microchip, we believe Artificial Intelligence (AI), Machine Learning (ML), Large Language Models (LLM), and associated technologies have immense potential to create positive change and address global challenges, but they must be developed and used responsibly. We are committed to the ethical development and deployment of AI in our products and solutions.

Our approach to responsible AI is built on core values around Productivity, Safety, Accountability, and Integrity. We view these tools as a means to increase the value we provide to all of our stakeholders, including customers, partners, and our most valued assets, employees.

We implement technical processes and oversight to assess AI projects for potential risks and institute mitigation strategies early in the development process. We also partner with industry resources to review and research key issues related to the responsible use of AI to safeguard Intellectual Property (IP) and data throughout the data lifecycle, from collection to application. Our goal is to create practical tools and methodologies to make responsible AI deployment more achievable and scalable to avoid unintended harm and prevent malicious acts or impacts.

As the use of AI expands, we will continue to champion the ethical and responsible development of this powerful technology. We aim to unlock AI's positive potential while proactively addressing challenges and concerns so that its benefits can be realized broadly and equitably.

# Compliance with Laws



Rice field in Bali: Beautiful green field in Bali

Panisara K.  
Chacherngsao, Thailand

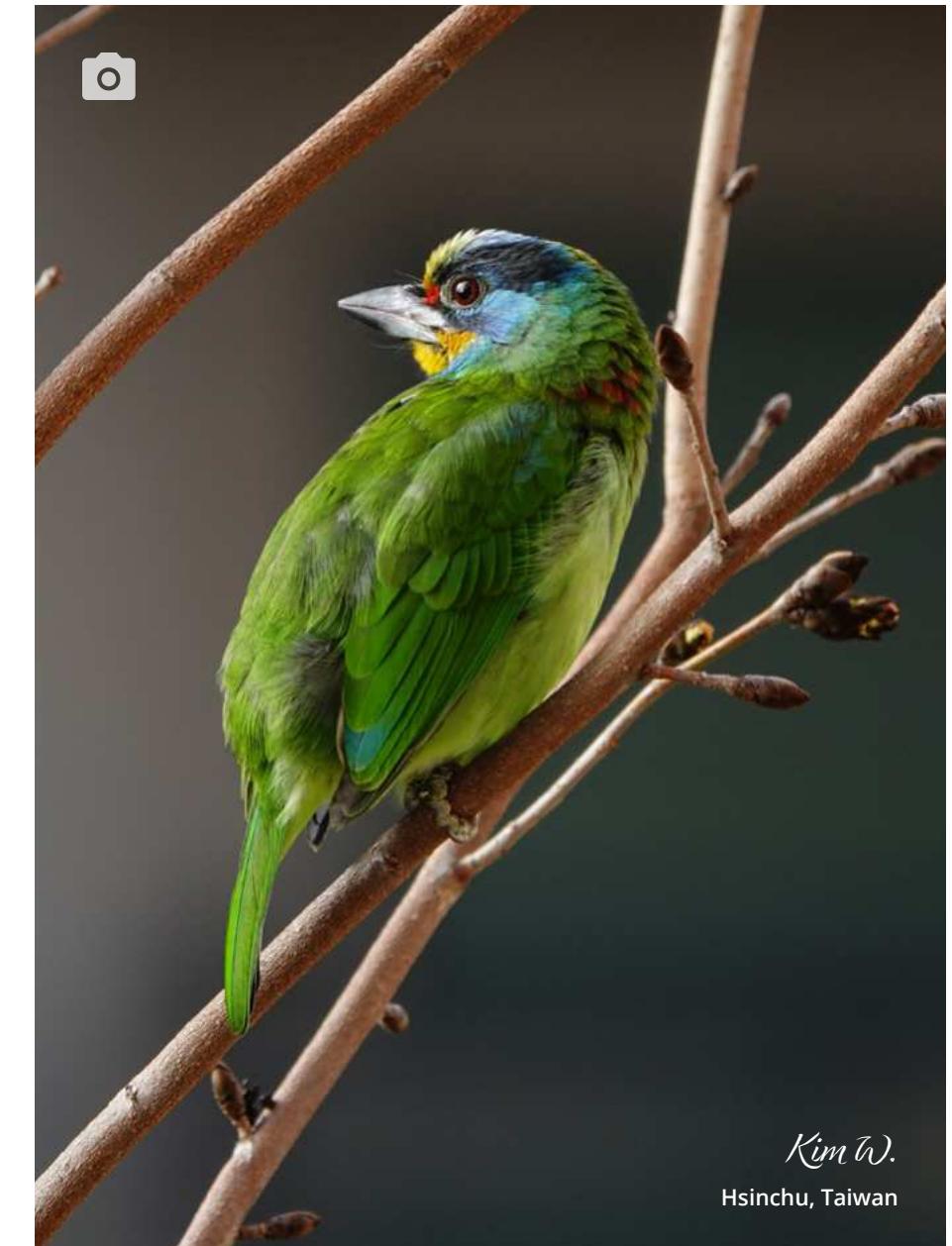
Microchip's Guiding Value "Professional Ethics and Social Responsibility Are Practiced" requires that all employees, directors, and officers comply with all applicable laws and regulations and abide by our Code of Business Conduct and Ethics and associated policies. These policies include Compliance with Laws, Confidentiality, Conflicts of Interest, Insider Trading, Human Rights and Reporting Legal Non-Compliance. Microchip has also implemented a Supplier Code of Conduct that expressly communicates our expectation of lawful and ethical behavior to our suppliers.

We are committed to compliance with applicable laws and regulations as they relate to the health and safety of our employees. Our Human Rights Policy prohibits the use of forced or compulsory labor, child labor and discrimination.

Compliance with laws is a key aspect of conducting Microchip's business ethically. Our Code of Business Conduct and Ethics and Supplier Code of Conduct outline Microchip's requirement that our staff and suppliers comply with applicable laws that prohibit bribery and similar acts to gain additional business or other favorable treatment. These laws include, but are not limited to, the United States Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and the People's Republic of China's Criminal Law. Anticorruption laws make it a crime for companies to bribe or provide anything of value to government officials and other individuals to obtain new business, maintain existing business or receive other benefits.

It is unacceptable for any Microchip employee, director, or officer to act in any manner that is contrary to these laws. We consider our suppliers, representatives, and distributors as critical to achieving our mission. Therefore, we require our partners to abide by our ethical guiding values, including compliance with anticorruption laws.

We encourage our partners to not only comply with these laws, but also to participate in the enforcement of our policies by reporting suspected violations of these laws to Microchip.



You raise me up: This bird (*Psilopogon nuchalis*) sings on time every morning

## Helpful Links

- [Information for investors, including financial performance](#)
- [Microchip's Nominating, Governance, and Sustainability Committee Charter](#)
- [Microchip's Corporate Governance Policy for Election of Directors](#)
- [Board member and executive officer information](#)
- [Compliance with Laws Policy](#)

Kim W.

Hsinchu, Taiwan

# Cyber Risk Management

## Cyber Risk Management Program

Microchip's cyber risk management program is managed by our Information Technology Shared Services (ITSS) team, which is led by our Corporate Vice President-Chief Information Security Officer (CISO). The program is designed to protect information entrusted to us by our customers, suppliers, and business partners, as well as our own information and assets, against unauthorized access, attacks, and other events that may disrupt service. Our ITSS organization is responsible for information technology infrastructure services, cybersecurity, and business continuity as they relate to digital information. ITSS works with functional groups such as manufacturing, business operations, engineering, human resources, legal, and finance and is responsible for evaluating and assessing overall cybersecurity risk, and advising senior management regarding our cybersecurity risk profile and priorities as they evolve. Having digital security responsibilities organized this way provides Microchip with an integrated view of IT security and enables efficient control of our IT security management processes.

Our risk management processes were designed by our ITSS team, which maintains knowledge about the types of high-profile security data breaches that are being reported more frequently around the globe. Implementing a sound security risk management framework allows the company to prioritize and identify its critical assets, threats and vulnerabilities, and strategies for mitigating risk using a consistent approach. We monitor evolving regulatory, industry and legal requirements and best practices relating to cyber risk mitigation, and we employ standards and frameworks that we deem appropriate to address identified risks. We are using the National Institute of Science and Technology (NIST) Cyber Framework 2.0, 800-53 and 800-171 as guides to obtain Cybersecurity Maturity Model Certification (CMMC) and to comply with U.S. Government supplier requirements. We are also working towards ISO 27001-2022 certification and participation in the Trusted Information Security Assessment Exchange (TISAX®), an audit and cyber risk process developed by European automakers to demonstrate compliance with cybersecurity and information security requirements.



Antelope Canyon 2022: Nature's masterpiece

We have a written response plan for responding to cybersecurity attacks and other cyber events. Our plan includes steps to assess the materiality of cyber events on our business. We also leverage external consultants, such as computer security experts and legal advisors with risk management and global experience, where necessary.

## Oversight by Management and Audit Committee

Our cyber risk resiliency objectives include monitoring of suspected cybersecurity events, business strategy, enterprise risk management, and resource allocation. Our executive leadership supports the cyber risk management program through regular communication with our CISO. The Audit Committee, which includes members with cybersecurity experience, has oversight responsibility for our cyber risk management program. The CISO reports to the Audit Committee quarterly on our information security and data privacy and protection programs. These presentations address a wide range of topics, including trends in cyber threats and the status of initiatives designed to bolster our security systems. Our full Board is typically in attendance at these presentations made to the Audit Committee.

## Annual Training on Cybersecurity

Our employees and third parties with access to our systems are responsible for assisting us in preventing cybersecurity breaches. Cyber hygiene is critical in strengthening Microchip's cybersecurity posture. Microchip employees are the first line of defense in sustaining good cyber hygiene and understanding insider threat indicators. Cybersecurity is everyone's responsibility.

People with access to our networks are required to sign a Non-Disclosure Agreement (NDA) and successfully complete annual cybersecurity and insider threat awareness training courses. Insider threat awareness training covers topics related to physical security and espionage. We conduct regular exercises to raise employee awareness of the threat of email phishing and social engineering. In addition, we analyze and plan for cybersecurity scenarios in our resilience planning and document them through business continuity plans.

IT contingency planning is handled at a corporate level directly by the ITSS organization, who maintain and exercise their systems in compliance with normative requirements.



SERMA, a certified French security assessment laboratory, audited our two major manufacturing facilities in Thailand for site security. These audits were conducted under the certification of Agence nationale de la sécurité des systèmes d'information (ANSI) the French National Agency for the Security of Information Systems. Both of our facilities passed the audits for all of Microchip's secure products with no nonconformities or remarks.

# Stakeholder Engagement

Stakeholder engagement at Microchip is an ongoing and evolving dialogue. As expectations change, we take input from our stakeholders into consideration as we review our business practices.

Microchip's operations are fully focused on our Vision, Mission and Guiding Values, which dictate our day-to-day decisions and establish our corporate culture. Our Guiding Values convey our overall philosophy and are intrinsically linked to our stakeholders: customers,

suppliers, employees, investors, or members of our local communities. Identification of primary stakeholders and the stakeholder engagement process is decentralized and based on functional group responsibilities and priorities.



Kids, Our Future, Our People: Ending with today's promise and tomorrow's hope

## Our Approach

WHO	HOW	KEY TOPICS AND CONCERNs
Investors	Earnings calls, investor conferences, annual shareholder meeting, CDP, sustainability report, direct meetings	Business performance, risk, opportunities, ESG, cybersecurity, compliance
Board of Directors	Management review, significant risk oversight, significant sustainability issues	Business performance, cybersecurity, compliance, risk assessment and management, opportunities, ESG
Employees	Surveys, quarterly communications meetings, town halls, performance reviews, quarterly one on ones with managers, open-door policy, whistleblower policy	Safety, training, resources, compensation, benefits, job duties, sustainability, advancement
Customers	Trade shows, direct meetings, website, sustainability report, RMI, CDP, direct communication	Product innovation, design, pricing, performance, responsive service, business continuity, cybersecurity, environmental and social responsibility
Local Communities	Environmental stewardship, direct community support and STEM projects, volunteerism	Safety, emissions, effluent, community awareness, support
Government	Regulatory filings, OSHA, CDP, EPA reporting, RMI, forced labor and trafficking laws, trade compliance	Regulatory compliance, environment, emissions, effluent, conflict minerals
Suppliers and Subcontractors	Site visits, quarterly reviews, processes, procedures, contracts, audits, RBA, direct communication	Consistency, stability, fair pricing, ethical, environmental, and social responsibility

Kids, Our Future, Our People: Ending with today's promise and tomorrow's hope



# Sustainability Approach

Microchip's commitment to being a responsible corporate citizen is shared by our board members, executive management team and employees. Our employee-empowered approach enables everyone to feel included in our sustainability journey and contribute to its future success. Our NGSC and BOD have ultimate oversight over all significant Environmental, Social, and Governance (ESG) matters.





# ESG Assessment

Microchip is a values-based company whose culture is based on an overriding Vision, Mission Statement, and set of Guiding Values.

These values guide the actions that we take to meet our responsibilities with respect to ethics, labor, health and safety, and sustainability. This report is one way that we provide transparency to our employees, customers, and other stakeholders. We do this by undertaking an assessment to help identify issues we believe are the most important to our stakeholders.



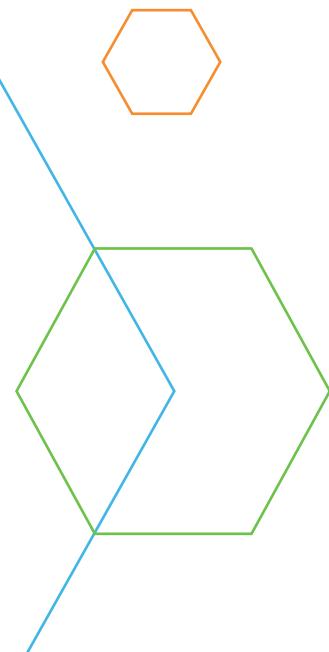
Off the Grid in the Sand Dunes





## 2023 ESG Topics

Microchip addresses a wide range of ESG topics within this sustainability report that showcase our commitment to environmental sustainability, community involvement, and long-term economic value creation. We strive to transparently communicate our efforts and progress across the ESG topics presented within the five tenets of Microchip's 360° Sustainability Approach.





# External Recognition and Affiliation

**Newsweek**  
**America's Most Responsible Companies 2023**



**Newsweek**  
**America's Greatest Workplaces for Women 2023**



**Newsweek**  
**America's Greatest Workplaces for Diversity 2023**



**Best Companies Group**  
**Most Inclusive Workplaces in America**



**Forbes/Statista**  
**World's Best Employers of 2023**



**Phoenix Business Journal**  
**2023 Best Places to Work**



**Phoenix Business Journal**  
**Corporate Philanthropy**



**Minority Engineer Magazine**  
**Top 50 Employers**



## Additional Social and Environmental Awards and Recognitions

- Outstanding Community Projects Awards 2023, Philippine Economic Zone Authority
- Top Workplaces for 2023, *Orange County Register*
- 2023 Best ESG Companies, *Investor's Business Daily*
- Top Green Companies in Asia, Asia Corporate Excellence and Sustainability (ACES) Awards 2023
- Top Workplaces 2023, *San Francisco Chronicle*
- America's Greatest Workplaces 2023, *Newsweek*
- 2023 Most Influential Corporate Board Directors, *Women, Inc.*
- America's Best Employers for New Grads 2023, *Forbes/Statista*
- Ireland's Best Employers, *Sunday Independent*, Ireland
- Top 25 Asian American and Pacific Islander Board Members
- Best Companies to Work for in New York 2023
- Outstanding Women in Business, *Phoenix Business Journal*
- Diversity Leaders 2023, *Financial Times*

## Memberships, Associations and Certifications

- CDP (formerly Carbon Disclosure Project)
- Responsible Business Alliance (RBA) Full Member
- Responsible Minerals Initiative (RMI) Member
- Semiconductor Industry Association (SIA) Member
- Samsung Eco-Partner Affiliate Company
- Sony Green Partner Certification
- AS9100D Certificate
- IATF16949 Certificate
- EcoVadis
- ISO9001 Certificate
- ISO14001 Certificate, Thailand, Philippines
- ISO45001 Certificate, Thailand
- ISO50001 Certificate, Thailand
- ISO14064 Limited Assurance



# Our Planet

---

At Microchip, environmental stewardship is a fundamental value. Our commitment to minimizing our environmental impact spans our operations, supply chain and product development. By managing resources responsibly, addressing stakeholder concerns, and investing in conservation initiatives, we align our corporate growth with the responsible care of our planet.



Michelle P.

New York, USA

*Autumn in New York: Our planet showing off all its colors*





# Environmental Responsibility

At Microchip, we embrace our duty to safeguard the environment and mitigate the potential impact of our operations and products on communities worldwide.

Our commitment extends beyond mere compliance; it's about catalyzing positive change throughout our entire value chain. Through strategic initiatives, strong collaborations, and ambitious goals, we endeavor to drive economic growth, preserve natural resources, and pave the way for a sustainable tomorrow for future generations.

We focus our environmental initiatives on reducing our carbon footprint, enabling a clean energy transition, promoting judicious use of water resources, and establishing circularity within the value chain. For more details, see our [Environmental Responsibility Policy](#) on our website.

## Focus Areas and Aspirations

We prioritize environmental sustainability across several key domains within our direct operations and supply chain. Our efforts are underpinned by publicly disclosed, time-bound targets, and annual progress reports in these critical areas. A group of cross-functional teams from diverse operational units across the company continually refines our goals and monitors performance, ensuring alignment with the evolving landscape of sustainability.

### Greenhouse Gas (GHG) Emissions

We are steadfast in our aim to achieve a 50% reduction in Scope 1 and Scope 2 emissions by 2030 and be Net Zero by 2040. By aligning our ambitions with the Paris Climate Agreement and recommendations of the Science Based Targets Initiative (SBTi) Net Zero Standard, we actively contribute towards combating climate change on a global scale.

### Clean Energy Transition

Recognizing the pivotal role of energy in our operations, we aspire to derive 40% of our global electricity from renewable sources by 2030, with a vision of transitioning to 100% renewable energy by 2040. We are committed to driving the transition to cleaner energy alternatives, ensuring a greener future.

### Water Resource Stewardship

Water is a precious resource. We promote judicious use of water within our facilities and supply chain. Our efforts extend beyond mere conservation; we also focus on preserving water quality and promoting responsible consumption. By doing so, we contribute to a sustainable water future.

### Circular Economy

At Microchip, circularity is a fundamental business principle wherein waste is minimized and resource efficiency is maximized, which is demonstrated by the fact that we achieved our 2030 waste diversion target in 2022. By 2040, we aim to divert 100% of the waste generated in our operations away from landfills via innovative programs that nurture a circular ecosystem, which will benefit our business and the environment.

We believe that by fostering critical partnerships, embracing novel approaches, and staying true to our commitment to sustainability, we can shape a future where technology coexists harmoniously with our planet. Together, we'll create lasting impact—one chip at a time.

For more details, visit the [Our Planet](#) page on our website.

Focus Areas		MID-TERM GOALS (EST. 2030)	LONG-TERM GOALS (EST. 2040)
Emissions	50%	Net Zero Reduction (Scope 1+2)	100%
Energy	40%	Global electricity sourced by renewable energy <sup>1</sup>	Global electricity sourced by renewable energy <sup>1</sup>
Waste	80%	Waste diversion from landfills <sup>2</sup>	100% Waste diversion from landfills <sup>2</sup>

1 We are committed to increasing the share of renewables in our total electricity use, provided such supply is available at commercially reasonable rates.

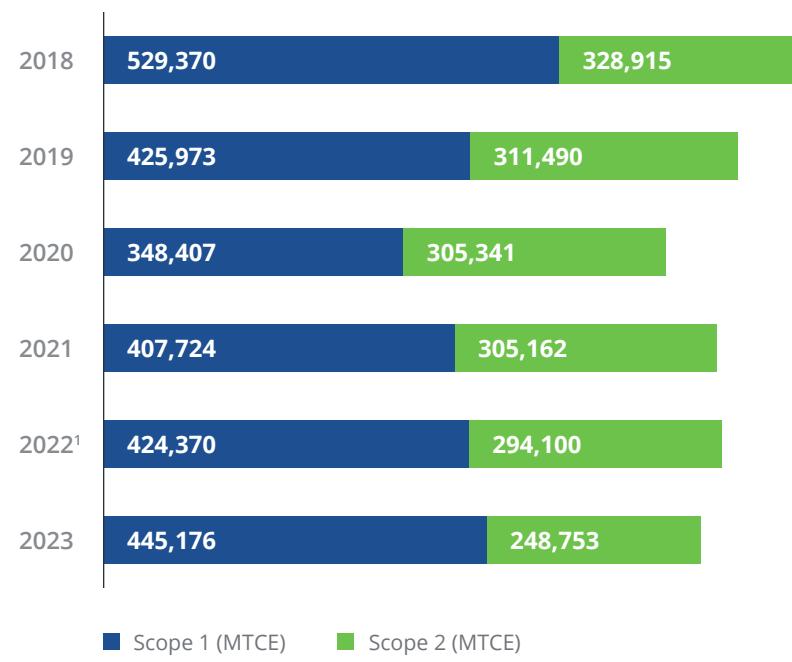
2 We aim to divert our waste from landfills to the extent it is technically and commercially feasible.



# Emissions and Climate Change

The bulk of our Scope 1 and Scope 2 GHG emissions originate from our manufacturing sites, while Scope 3 emissions primarily stem from our supply chain, notably Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods). Our commitment to achieving net-zero GHG emissions by 2040 centers on our sustainability approach, which is focused on driving process efficiency within our organization as well as our supply chain. As of 2023, we have reduced total Scope 1 and Scope 2 emissions by 19% compared to a 2018 baseline on an absolute basis.

## GHG Emissions (Scope 1 and 2)



<sup>1</sup> Our CY22 Scope 1 and Scope 2 emissions have been revised following third-party verification by an independent auditor. The net variance between the initially reported and the verified values in CY22 was less than 2%.

## Scope 3 Emissions

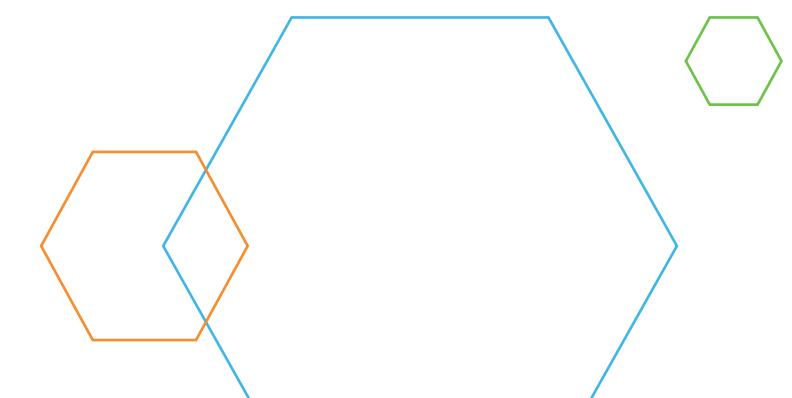
We continued to refine our methodology for Scope 3 emissions in 2023 by engaging with our supply chain and making concerted efforts to collect primary and secondary data as opposed to relying on spend-based calculations. Previously, we relied on the Quantis calculator for reference, but its discontinuation has prompted us to adopt a direct approach in our methodology. We surveyed 100% of our direct manufacturing suppliers to engage with them on climate change, renewable energy procurement, and GHG emissions reduction targets. This effort primarily targets our largest Scope 3 category, Category 1: Purchased Goods and Services. As our suppliers continue compiling and reporting their 2023 environmental data, our survey remains in progress. This shift towards direct data collection marks a crucial step in accurately assessing our Scope 3 emissions as we look to publish the final inventory in our 2024 CDP Response. The data will serve as a baseline year for future Scope 3 and Supplier targets.

## Reporting and Assurance

Microchip diligently assesses, calculates, and reports GHG emissions following the GHG Protocol standards. We calculate emissions associated with the consumption of electricity, diesel, natural gas, and process gases used in semiconductor manufacturing at our global facilities where we have operational control. We annually report our GHG emissions in our Sustainability Report and through CDP (formerly Carbon Disclosure Project) on a calendar year basis. In 2023, we enlisted an external third-party auditor to conduct the first limited assurance audit of our Scope 1 and Scope 2 emissions in accordance with ISO 14064. Our certification statement is provided in the [Appendices](#).



Sultan Abdul Halim Muadzam Shah Bridge: Catalyst in the socio-economic development of the Northern Corridor Economic Region (NCER) of Malaysia



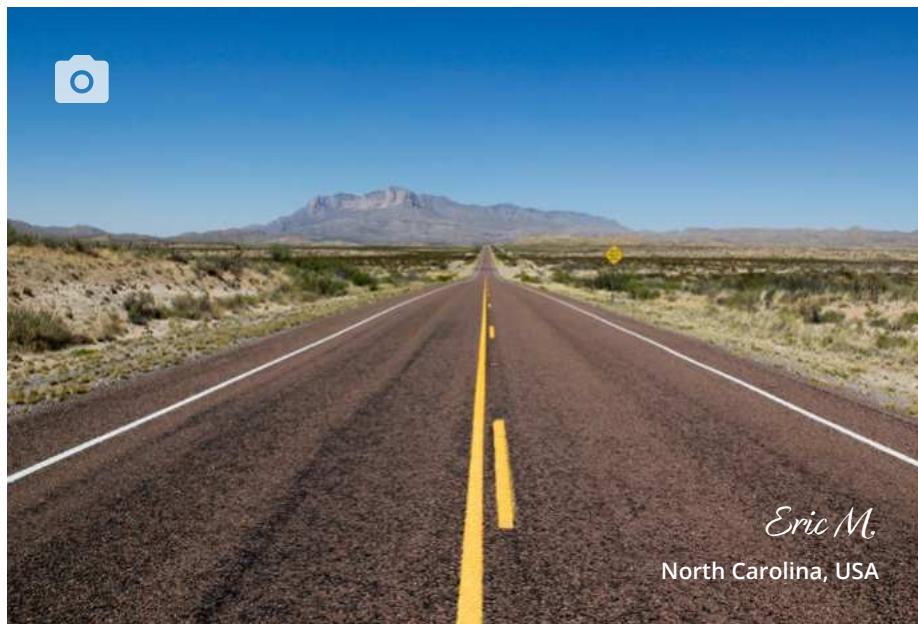


## EMISSIONS AND CLIMATE CHANGE *continued*

### Strategic Approach

#### Net Zero Roadmap

In 2023, we developed a comprehensive roadmap outlining our strategy and annual milestones. Cross-functional teams spanning sites and organizational units formed a Net Zero Working Group to define and execute the necessary site-level roadmaps to achieve our climate targets. These teams, led by members from factory operations, facilities, and Environmental, Health, and Safety (EHS), are overseen by factory leadership responsible for sustainability initiatives. They convene at least quarterly to exchange data, strategies, and best practices, and to devise plans to minimize our environmental impact.



*The Road to West Texas: Scrub meets the sky on a lonely road to the Guadalupe Mountains in West Texas*

#### Climate Scenario Analysis

In addition to emissions reduction efforts, employees from various operational units collaborated in 2023 to embed climate change considerations into our business model. We conducted our first Climate Scenario Analysis to identify and assess climate related risks and opportunities across short-, mid-, and long-term timeframes. The results, aligned with the Task Force on Climate-related Financial Disclosures (TCFD), are provided in the [Appendices](#).

#### Key Actions for Environmental Commitments

##### Scope 1 Emissions

- Invest in abatement technologies and switch to lower GWP gases
- Leverage smart monitoring and Industry 4.0 technologies

##### Scope 2 Emissions

- Optimize process and equipment to reduce energy consumption
- Diversify our renewables portfolio and decrease reliance on fossil fuels

##### Scope 3 Emissions

- Collaborate with suppliers and industry associations to share best practices and drive collective action on climate change
- Leverage our Full Member status with the RBA to reduce emissions across the value chain

Our objective is to continue conducting a thorough GHG emissions inventory, accurately analyzing the source and magnitude of our emissions, transparently reporting our progress, and designing meaningful future initiatives.

See additional details on the [Our Planet](#) page of our website.

#### Environmental Innovation in Manufacturing



Guided by our company's core values and strategic objectives, each of our facilities remains steadfast in pioneering novel approaches aimed at minimizing our environmental impact. Among the foremost priorities at our larger manufacturing sites lies the management of hazardous materials—be they liquid, gaseous, or solid—and the exploration of viable alternatives that are more ecologically sound.

Every major manufacturing facility adheres to a multi-year roadmap we developed in 2023 for reducing greenhouse gas emissions to stay on track for our Net Zero by 2040 target. In 2023, Microchip performed testing, monitoring, and analysis with external consultants for all the tools at our fabs to determine the most effective decarbonization strategies including gas substitution, process modification, and abatement. The findings of this study are expected to drive our future GHG reduction projects for process emissions at these sites. During the project, we were also able to successfully identify a gas substitute that significantly reduces our carbon footprint.

This substitution has yielded multifaceted benefits, including a reduction in the global warming potential, total carbon emissions, and a remarkable 70% decrease in gas consumption for the specific process. Such forward-thinking initiatives, coupled with our unwavering commitment to research and experimentation, are pivotal in driving meaningful strides towards minimizing our environmental impact.

# Energy Use and Efficiency

Ensuring the reliability and sustainability of our energy systems remains a cornerstone of our operational integrity.

Our manufacturing facilities in the U.S. and Asia collectively account for 84% of our global electricity consumption. Microchip's energy profile is distributed across various sources as shown below.

We recognize the importance of curbing carbon intense energy use by pursuing in-house energy efficiency projects and procuring renewable energy. This twofold approach not only serves to mitigate our Scope 2 carbon footprint, but also fortifies our operational resilience and fiscal prudence.

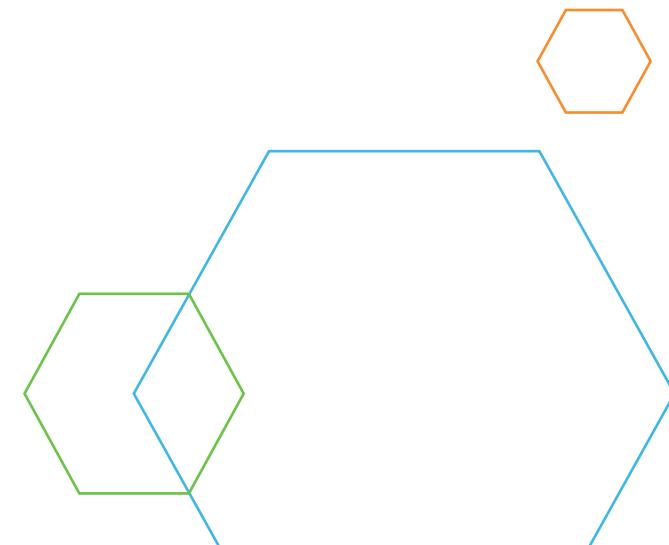
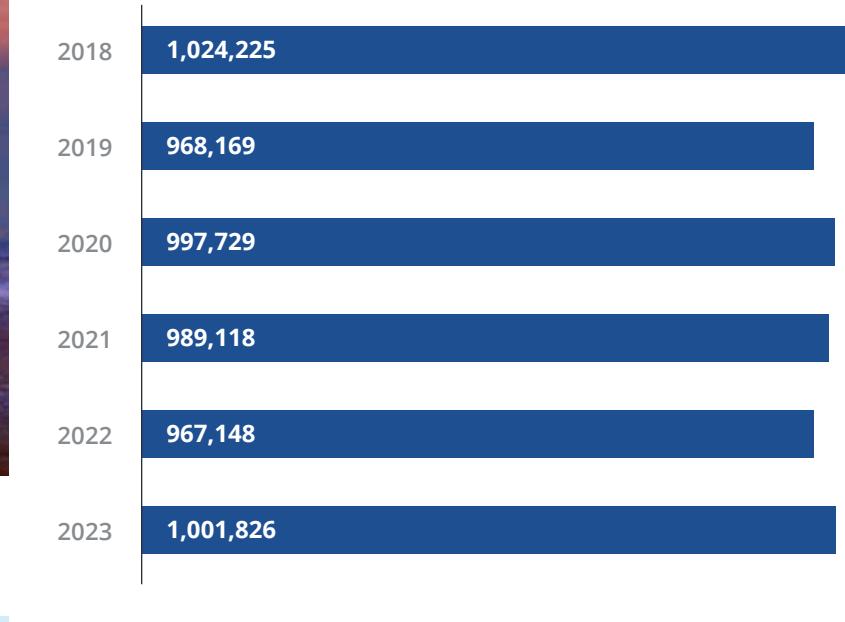
Throughout 2023, our facilities teams diligently evaluated opportunities for energy conservation across our infrastructure. Leveraging the ISO 14001 framework, we made notable strides in enhancing energy efficiency at key manufacturing hubs in Colorado Springs, Thailand, and the Philippines. Moreover, the ISO 50001 certification of our Asian facilities facilitated the seamless integration of energy efficiency elements into our overarching strategic vision.



ENERGY (MWH)	2018	2019	2020	2021	2022 <sup>1</sup>	2023
Distillate Fuel Oil	3,214	1,501	340	4,551	4,049	4,792
Electricity	743,796	717,204	721,481	728,589	741,514	770,261
Liquefied Petroleum Gas	1,491	1,572	1,409	1,632	2,137	1,724
Natural Gas	275,814	247,892	274,499	254,346	219,448	225,049
<b>Total</b>	<b>1,024,315</b>	<b>968,169</b>	<b>997,729</b>	<b>989,118</b>	<b>967,148</b>	<b>1,001,826</b>

<sup>1</sup> CY22 data was revised following third-party verification of GHG emissions and associated environmental data as per ISO14064.

## Total Energy Consumption



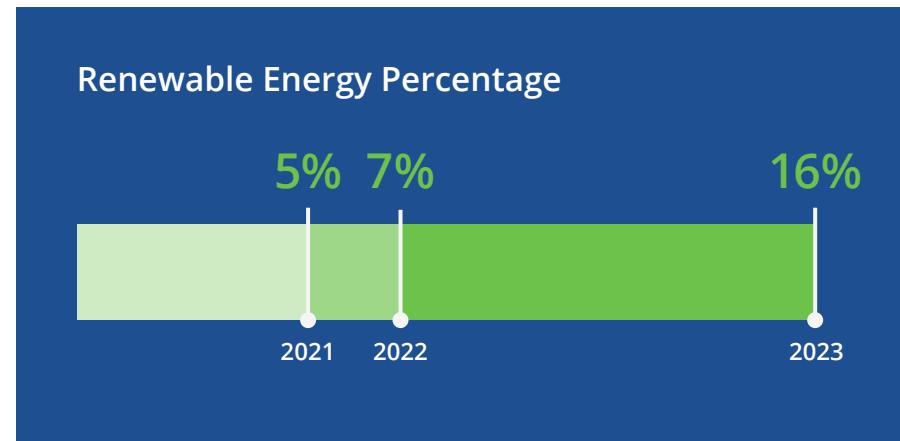


## ENERGY USE AND EFFICIENCY *continued*

### Renewable Energy

Our renewable energy portfolio is comprised of an array of utility green tariffs and physical/virtual Power Purchase Agreements (PPAs). In 2023, we contracted several renewable energy projects to increase the share of renewables in our portfolio to 16%, and demonstrate our continued advancement towards our climate objectives:

- We successfully concluded the construction of a 3.8 MW floating solar farm at Microchip Thailand, expected to meet 16% of the site's total annual energy consumption
- Our two facilities in the Philippines achieved a commendable 100% and 50% sourcing of renewable energy, respectively, through virtual PPA contracts
- Our fab in Colorado Springs entered into a utility green tariff contract to fulfill 30% of its electricity demands through renewable sources
- Microchip signed a utility green tariff program with our local utility in Arizona to source 20% renewable energy for both our Tempe fab and Chandler headquarters via a local solar project that is anticipated to come online in 2026



Guided by a strategic framework, we are committed to further amplifying the share of renewable energy in our electricity portfolio. This entails an exploration of diverse projects encompassing on-site generation, virtual/physical PPAs, and utility green tariffs, contingent upon feasibility assessments. Additionally, we are steadfast in integrating energy-efficient design principles into new and existing infrastructure, optimizing energy utilization while ensuring conducive working environments for our employees. Initiatives such as equipment retrofitting and upgrades, encompassing lighting, HVAC systems, and building management systems, underscore our unwavering commitment to sustainable energy practices. The implementation of energy management systems empowers us to glean actionable insights from data, facilitating continual process enhancements in pursuit of energy efficiency excellence.



### Floating Solar Farm in Thailand



In 2023, our Microchip Thailand facility achieved a significant milestone by completing the construction of a cutting-edge 3.8 MW floating solar farm. This innovative initiative marks a pivotal step towards sustainable energy utilization within our operations. The factory demonstrated its commitment to sustainable energy practices by signing a 20-year PPA to source 16% of its electricity needs from this solar farm. Situated atop a reservoir, this solar farm exemplifies our commitment to environmental stewardship while harnessing the potential of renewable resources to power our operations efficiently and responsibly.

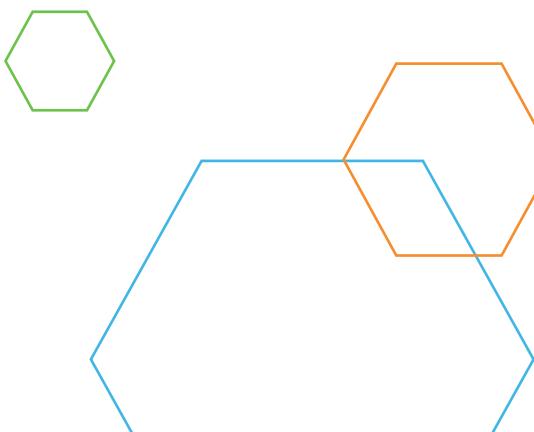
# Water Conservation and Management

Water is an indispensable resource in semiconductor manufacturing, and we acknowledge the value of adopting responsible consumption practices.

At Microchip, we source water from various treated and untreated sources, subjecting it to rigorous internal treatment processes to attain ultrapure levels essential for wafer cleaning. Subsequently, reclaimed water from our systems is used in ancillary applications such as boilers and cooling towers. Prior to discharge, wastewater generated during our processes undergoes on-site treatment in adherence to local standards and permits.

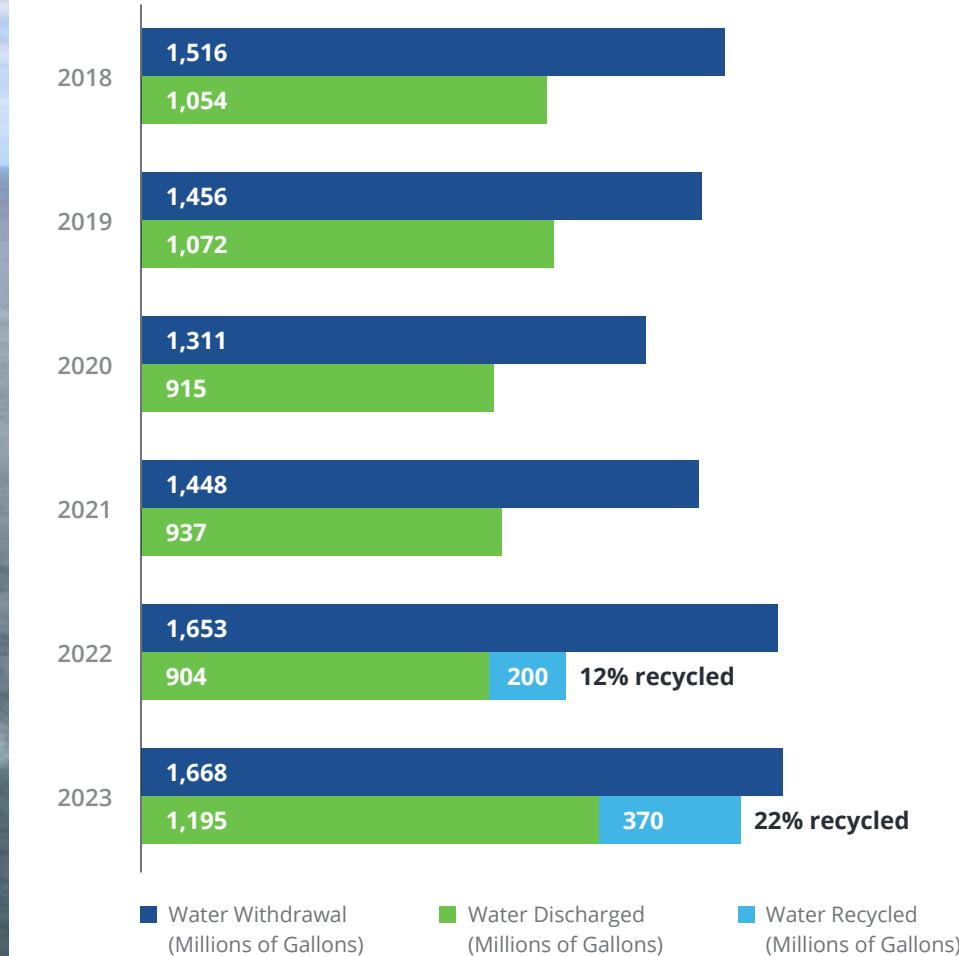
As global regions grapple with escalating water challenges, we invest in transformative initiatives aimed at conserving, recycling, and reclaiming water within our facilities. Microchip's water management strategy is centered on minimizing usage, augmenting recycling efforts, ensuring responsible effluent waste disposal, and mitigating water-related risks, particularly in regions experiencing heightened water stress.

In 2023, despite a surge in absolute consumption due to the exigencies of more advanced fabrication technologies, Microchip's manufacturing hubs, the primary consumers of water, contributed with innovative water conservation projects such as installation of flow restrictors, upgrades and reconfigurations to our Reverse Osmosis (RO) and Deionization (DI) reclaim systems, optimization of DI dump cycles associated with wafer manufacturing processes, and HVAC cooling tower blow-down reductions.



*Righteousness Like the Waves of the Sea: Who stirs up the sea so that its waves roar*

## Water Usage and Recycling<sup>1</sup>



<sup>1</sup> Data from 2018–2020 reflects water activity from eight major manufacturing sites only. In 2021 and 2022, water usage was reported at 24 and 37 sites, respectively. In 2023, three additional sites were added, resulting in a total of 40 sites reporting water activity. As water activity is tracked and billed differently across global facilities, efforts are being made to expand the number of reporting sites each year.

## WATER CONSERVATION AND MANAGEMENT *continued*

### Risk Mitigation

Our commitment to water stewardship extends beyond mere operational compliance. In 2023, Microchip conducted a water risk assessment using tools such as the Water Risk Filter by the World Wildlife Fund (WWF) and the Aqueduct Water Risk Atlas from the World Resources Institute (WRI). This assessment serves as the bedrock of our water management ethos as we look to continue this annual evaluation to inform our water management strategies, goals, and proactive measures.

Acknowledging the ramifications of climate change on water resources, we have proactively implemented measures to mitigate risks across our sites. Notably, our Thailand sites, situated in regions vulnerable to water quality degradation and floods, have established on-site water reservoirs as backup sources since 2018 and are working on additional source diversification. Furthermore, to counter flood risks, our production floors in these areas are elevated at least two meters above Mean Sea Level (MSL). These sites also regularly update flood plans and conduct environmental monitoring, including flood studies, to assess any changes that may affect flood patterns in the area. These measures not only enhance our resiliency to major water-related changes, but they also emphasize our commitment to proactively mitigate water-related risks.

Our strategic approach to water management involves a comprehensive examination of consumption patterns across various operational areas, alongside the implementation of technological advancements and infrastructure enhancements aimed at conservation and reclamation. Through collaborative partnerships with local municipalities, we aim to demonstrate our dedication to tailored and compliant water management practices at all Microchip sites.

In charting our course forward, Microchip remains steadfast in its commitment to pioneering water stewardship, ensuring sustainable operations that resonate with our core values and benefit the communities we serve.



David M.  
Colorado, USA

*Our underground water found in caves that most people don't see: Protect our underground waters. (Winner "Our Planet" Category)*

### Project Spotlight: Striving Beyond Compliance



Microchip collaborated with the City of Gresham to implement an ammonia removal system at the city's wastewater treatment plant facility. Our water risk assessment revealed that while our Gresham site may not be highly susceptible to water scarcity, it remains a significant asset in terms of regional biodiversity and cultural significance. This partnership will not

only benefit nearby residents and industries, but also contribute to the preservation of aquatic life in the Columbia River. Our proactive approach exemplifies Microchip's ongoing efforts to evaluate water-related risks and uphold water stewardship in the areas where we operate. By going beyond regulatory compliance, we prioritize environmental sustainability and community well-being.

# Waste Diversion and Recycling

Microchip remains steadfast in its commitment to sustainability, striving for zero waste to landfill and embracing circular strategies across our operations.

Our waste management approach emphasizes source reduction, extensive recycling and reusing efforts, and responsible disposal practices. The majority of our waste stems from manufacturing processes and general office activities. Our local EHS teams oversee the on-site regulated waste to ensure compliance with local laws and regulations. The teams are also in charge of auditing our waste vendors periodically.

In 2023, we continued and expanded our engagement with local waste management companies and recyclers to partner on some very exciting and innovative solutions to recycle materials that traditionally have been sent to landfills for disposal. We proudly surpassed our waste diversion targets in 2022, prompting us to elevate our short- and mid-term goals to 60% and 80%, respectively, from the 15% and 50% set previously. Our waste diversion efforts in 2023 resulted in diverting 75% away from landfills. The diverted materials consisted of glass, paper, cardboard, wood, metals, e-waste, and chemical solutions. Additionally, certain waste streams unsuitable for traditional recycling were utilized for energy recovery.

In 2023, our fabrication facilities collaborated with a vendor to assess all waste streams, identifying opportunities for material reuse and recycling to maximize landfill diversion. This partnership aims to find proper disposal and recovery methods for spent solvents and sulfuric acid waste. Our strategic approach towards waste management includes:

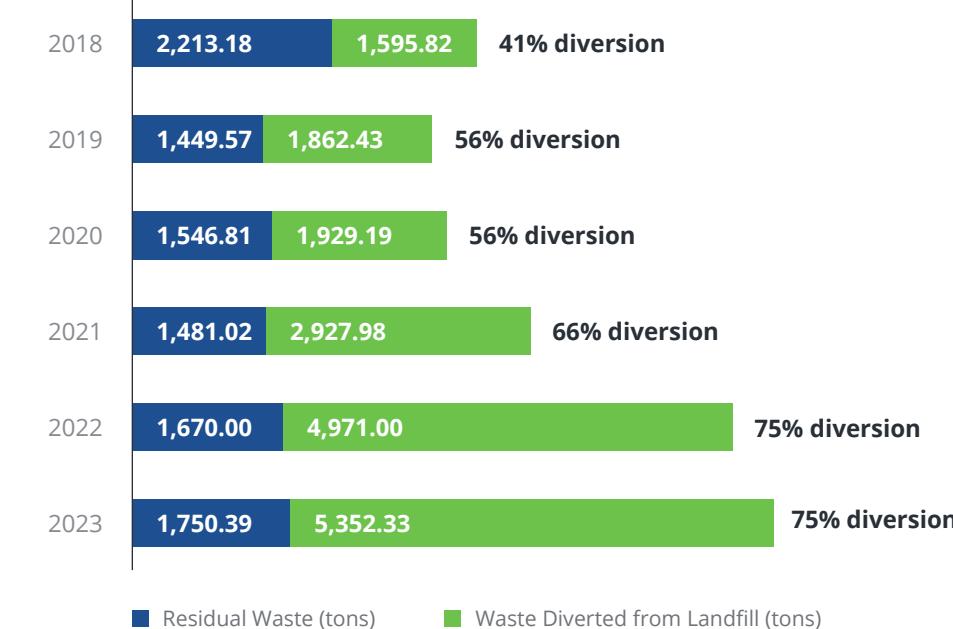
- Reducing waste generation through process optimization and lean manufacturing, aligning with our guiding value of "Continuous Improvement is Essential"
- Encouraging segregation of recyclables and expanding recycling and resource recovery initiatives

## Sustainable Workspace Transformation: A Responsible Approach to Office Clearance in Cambridge, UK



In collaboration with the Waste to Wonder Trust, our team engaged in a noteworthy initiative in Cambridge, UK, focusing on the refurbishment and recycling of high-quality office furniture. This cost-effective undertaking not only allowed us to sidestep the carbon emissions linked to furniture disposal but also curbed the demand for precious resources in the production of new items. The entirety of the refurbished furniture was donated to United Action for Children (UAC)-Cameroon. This act not only contributed to a significant carbon saving of 12,900 kilograms, but also played a vital role in supporting UAC's programs in elementary education, poverty alleviation, food security, and vocational training.

## Waste Diverted from Landfills



■ Residual Waste (tons) ■ Waste Diverted from Landfill (tons)

Data from 2018–2020 reflects waste activity from our major manufacturing sites only.

Continued research and innovation remain paramount as we strive to further decrease waste production through optimized process recipes, enhanced segregation methods, and ongoing collaboration with vendors on reuse and recycling solutions.

- Establishing recycling programs within our offices to promote waste material reuse, including proper bin usage and reduction of containers/plastic bottles, while educating employees on recycling benefits
- Handling, storing, and disposing of chemical and hazardous substances responsibly



# Our Supply Chain

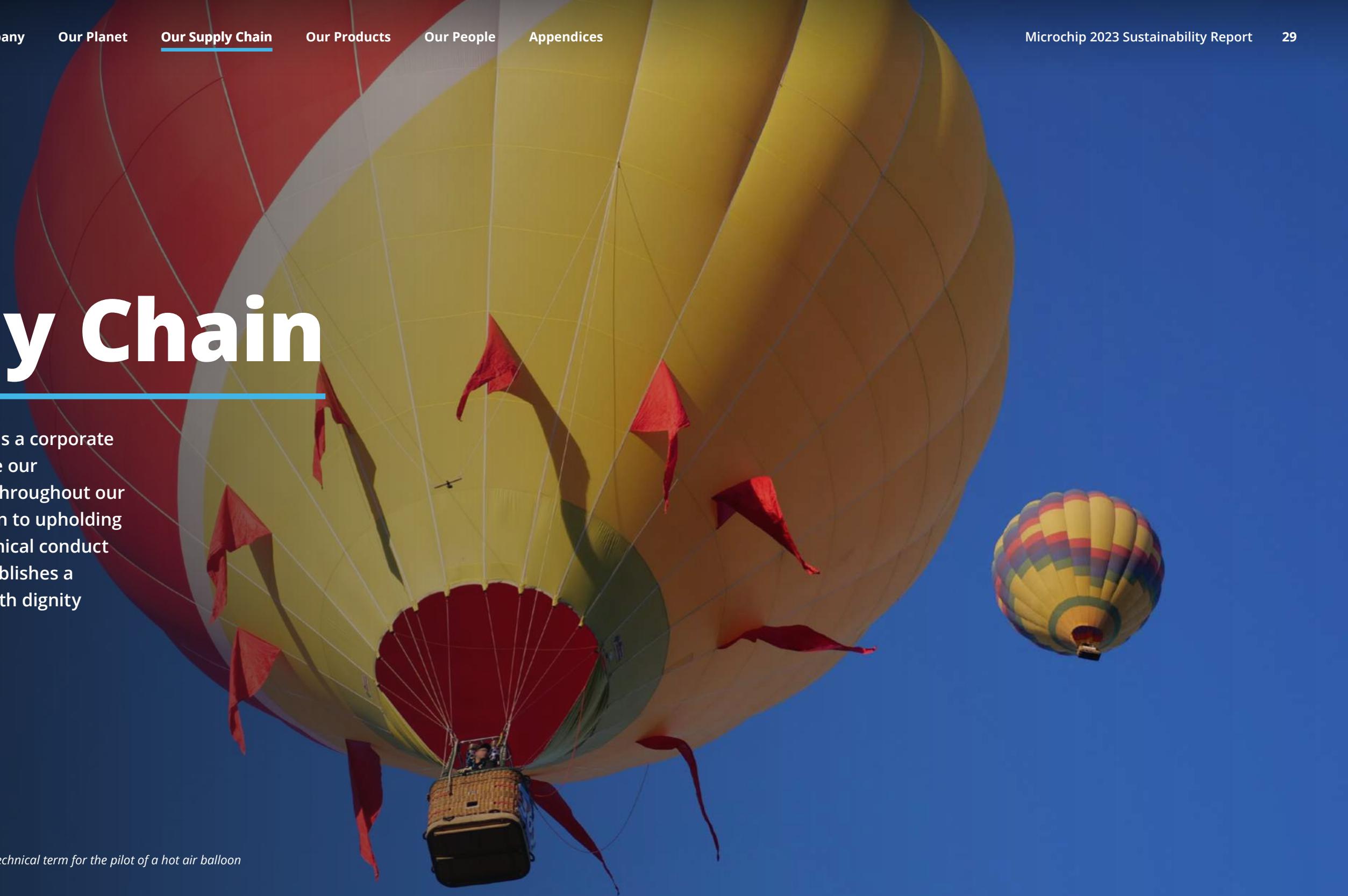
To fulfill our responsibility as a corporate citizen, we carefully oversee our interactions with partners throughout our supply chain. Our dedication to upholding the highest standards of ethical conduct and business practices establishes a foundation for operating with dignity and respect.



Daniel B.

Arizona, USA

*Aeronaut in Flight: Aeronaut is the technical term for the pilot of a hot air balloon*





# Human Rights

Microchip is dedicated to protecting human rights. Consistent with our policy, practice, and culture, we do not tolerate the use of forced labor and have trade control procedures designed to prevent unauthorized use of our products.

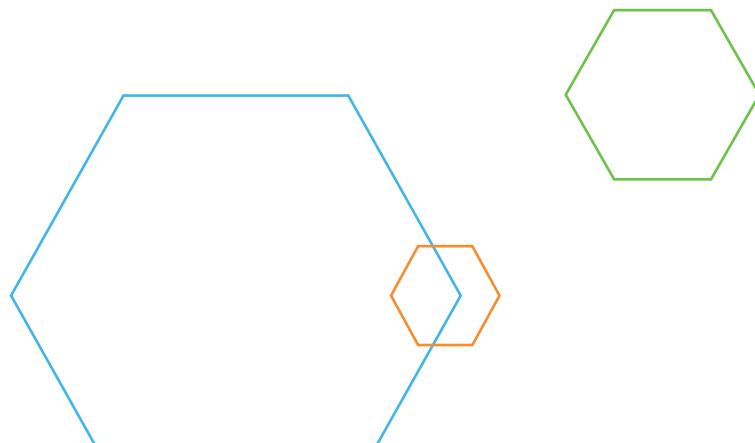
As part of our policies and procedures for the protection of our workers and the workers of our supply-chain partners, Microchip joined the RBA in 2020 and became a Full Member in 2023.

Our Human Rights Policy sets standards for labor, health, and safety, the environment, and ethics for our operations. It lays out the principles embedded in our business operations and culture designed to prevent us from supporting activities that violate human rights. This policy is based on the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Co-Operation and Development Guidelines for Multinational Enterprises. The key elements of the policy are ethical business conduct, fair labor practices, diversity, non-discrimination and anti-harassment, safe working conditions, the prevention of forced labor and child labor, and freedom of association.

Additionally, Microchip does not support or condone the use of our products for applications for which they are not authorized, including actions by Russia against Ukraine or other military actions against civilians.

Therefore, in March 2022, Microchip voluntarily stopped sales of products to Russia and Belarus, even those not restricted by law, because the actions of Russia against the Ukrainian people go against our Guiding Values. We also closed our office in Russia and ended relationships with Russian distributors. Microchip complies with applicable export controls and trade sanctions. We maintain supply chain integrity by a variety of methods, including screening customers against restricted party lists.

Please see our [Corporate Responsibility](#) page on our website for additional information on Microchip's practices and public disclosures related to protecting human rights.



Quality Comes First: Relentless Quest for Perfection

## Supply Chain Standards



Microchip is committed to being a responsible corporate citizen and acting ethically and transparently in accordance with local, national, and international laws, regulations, and industry standards. Microchip has adopted the RBA Code of Conduct as its standard for labor, health and safety, environment, and ethics throughout its supply chain.

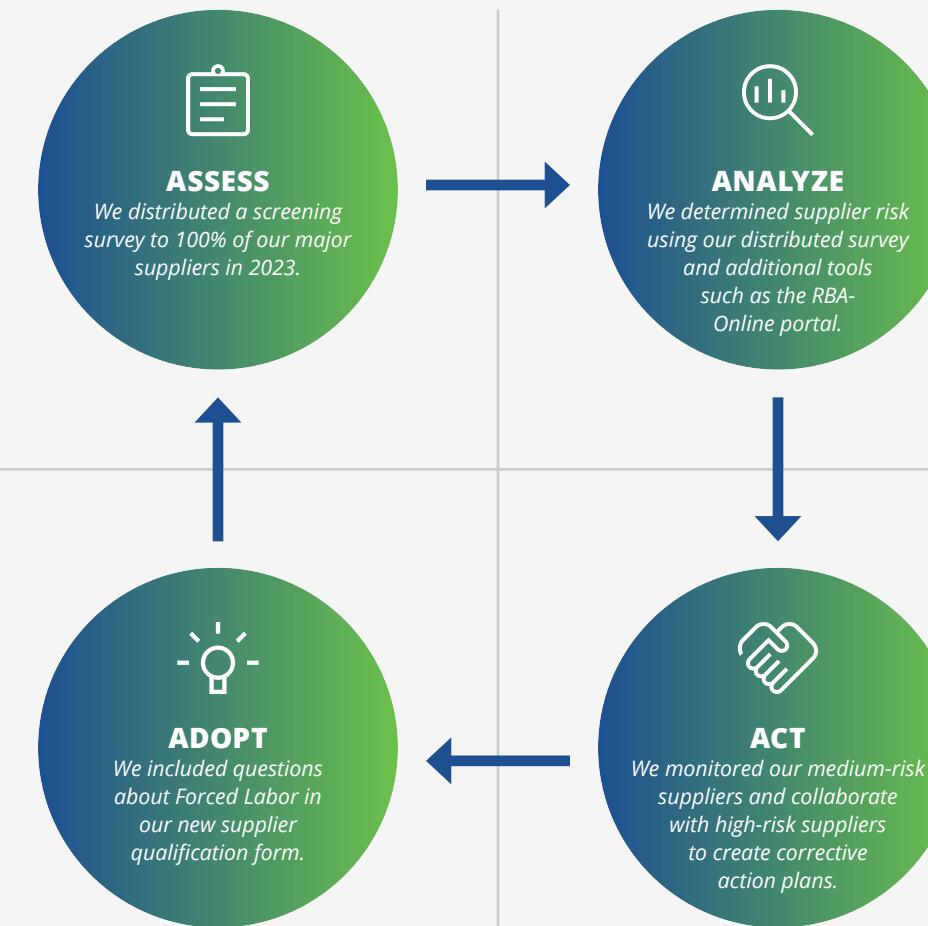
# Supplier Engagement

Aligned with our Guiding Value, "Suppliers, Representatives, and Distributors Are Our Partners," we are committed to maintaining beneficial relationships with our suppliers, who are an integral part of our Corporate Responsibility initiative. As a Full Member of the RBA, our [Supplier Code of Conduct](#) applies to suppliers and their directors, officers, employees, contractors, and subcontract labor. We expect our suppliers to ensure working conditions are safe, workers are treated with respect and dignity, and business operations are environmentally responsible. The Code also requires that our suppliers conduct business ethically and in compliance with all applicable laws, rules, and regulations throughout their supply chain.

## Supply Chain Management Approach

**Assess:** To build upon our commitment to an ethical supply chain and to strengthen our supply chain resiliency, Microchip distributed a Corporate Responsibility Survey to 100% of our major suppliers in late 2023, achieving an impressive response rate of 75%. This assessment covered forced labor and human rights issues, such as hiring practices and ethics reporting procedures, and efforts to mitigate environmental impact, all in alignment with RBA standards. Furthermore, in the Spring of 2023, we established trading relationships with 100% of our major suppliers who participated in the RBA-Online portal and encouraged those who were not yet onboarded to join. This effort aims to promote greater transparency and facilitates the monitoring of labor and ethical practices in our supply chain.

**Adopt:** The data collection process is ongoing, and we anticipate conducting supplier screenings in two-year cycles. As of 2024, we are actively following up with suppliers who have not yet responded to our survey. From insights gained during our last supplier screening process, Microchip has enhanced our qualification process for new suppliers to include forced labor questions. We aim to refine our supplier engagement initiatives continually with each screening cycle, fostering enduring and mutually beneficial relationships with our business partners.



**Analyze:** After suppliers returned their surveys, their responses were evaluated and each supplier was assigned a score that indicates their potential risk of association with forced labor practices. Additionally, we utilized our membership with the RBA to regularly monitor supplier risk via the annual RBA Self-Assessment Questionnaire (SAQ). In 2023, all suppliers with whom Microchip maintains a trading relationship via RBA-Online received either a "Low" or "Medium" overall risk score.

**Act:** Microchip adhered to appropriate due diligence procedures in accordance with the risk levels assigned to suppliers. Suppliers identified as low risk will be re-engaged in two years to ensure their ongoing commitment to responsible labor practices. Medium-risk suppliers will undergo an additional screening process in the following year, while those designated as high-risk will be required to develop and submit a Corrective Action Plan (CAP) for approval. In rare cases where suppliers were deemed extremely high risk for forced labor practices, an expedited 90-day CAP process will be mandated.



# Responsible Minerals Sourcing

Microchip recognizes the significant risks and adverse impacts which may be associated with extracting, trading, handling, and exporting conflict minerals from Conflict-Affected and High-Risk Areas (CAHRAs). Recognizing that Microchip has the responsibility to respect human rights and not contribute to conflict, we commit ourselves to taking actions to source responsibly throughout our operations worldwide.

## Conflict Minerals

Microchip is a member of the RMI which provides companies with independent, third-party audit information regarding which Smelters or Refiners (SORs) have been verified as responsibly sourcing minerals in line with current global standards.

We perform a Reasonable Country of Origin Inquiry (RCOI) on our integrated circuit products supply chain twice per year and publicly disclose our conflict minerals policy, RCOI implementation procedures, and SOR sourcing due diligence procedures. More information regarding our RCOI process may be found on the [Our Supply Chain](#) page on our website.

We use professional third-party consultants to perform due diligence on Tin, Tantalum, Tungsten and Gold (3TG) SORs that are in our integrated circuit products supply chain. These consultants work with SORs that are non-conformant to RMI standards to assist them in becoming conformant.

We continue to work on removing SORs from our integrated circuit supply chain if they are not cooperating with, or have been removed from, the RMI's Responsible Minerals Assurance Process (RMAP). In these cases, we start our outreach process and publish a monthly Due Diligence report to provide status updates. This process is documented on our website.

Our 2023 RCOI is complete and posted to our website. There may be smelters listed in the RCOI report that are currently not considered Active or Conformant, but these smelters may have been Active or Conformant during the 2023 reporting period.

## Extended Mineral Reporting Template (EMRT)

Through our membership with the RMI, we also participate in publishing a yearly Extended Mineral Reporting Template (EMRT) to further support our commitment to producing products that comply with related legal obligations and relevant international guidelines and standards. Our 2023 EMRT review shows no intentionally added mica or cobalt in our IC products.

### Helpful Links

- [Microchip's Conflict Minerals Sourcing Policy](#)
- [Microchip's RMI-CMRT](#)
- [Form SD and CMR](#)

## 3TG Progress

	2019	2020	2021	2022	2023
<b>Conformant Smelters</b>	224	235	230	222	214
<b>Active Smelters<sup>1</sup></b>	0	1	6	1	1
<b>Non-Conformant Smelters</b>	0	0	0	0	0

<sup>1</sup> Smelters Actively Participating in Sourcing Audits by RMI RMAP, TICMC, LBMA



TM Bukit Kechil Trailhead: Sea of clouds



# Business Continuity

Microchip understands the importance of a robust business continuity program and is committed to maintaining systems designed to provide continuity of supply and provide for mitigation of potential impact to our customers, partners, and other stakeholders.



Louie Angelo S.  
Muntinlupa, Philippines

*Waiting for the right moment, an airplane passes between two buildings.  
(Winner "Our Supply Chain" Category)*

We have established a Corporate Business Continuity Steering Committee and created a [Guidance Document](#) to establish the expectations and standards to be used by all Microchip entities with respect to business continuity planning. On [Our Supply Chain](#) web page you can find our Guidance Document and an [Introduction to Our Business Continuity Program](#).

## Supply Chain Management

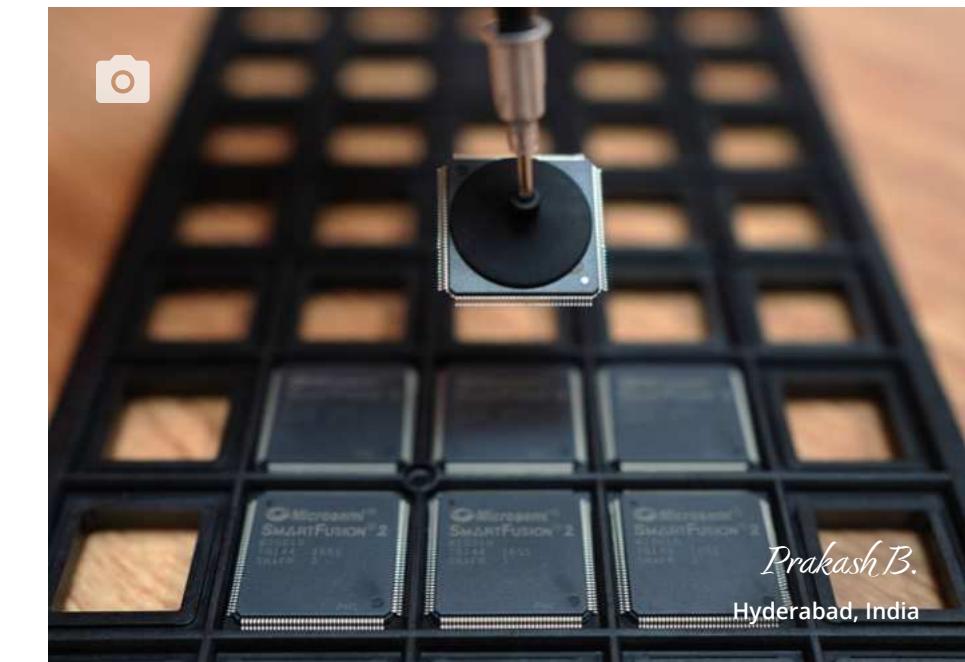
We carefully manage our supply chain, including internal and external foundries, probe, assembly, and test locations. We understand potential supply chain risk and recovery timing.

## Internal Communication

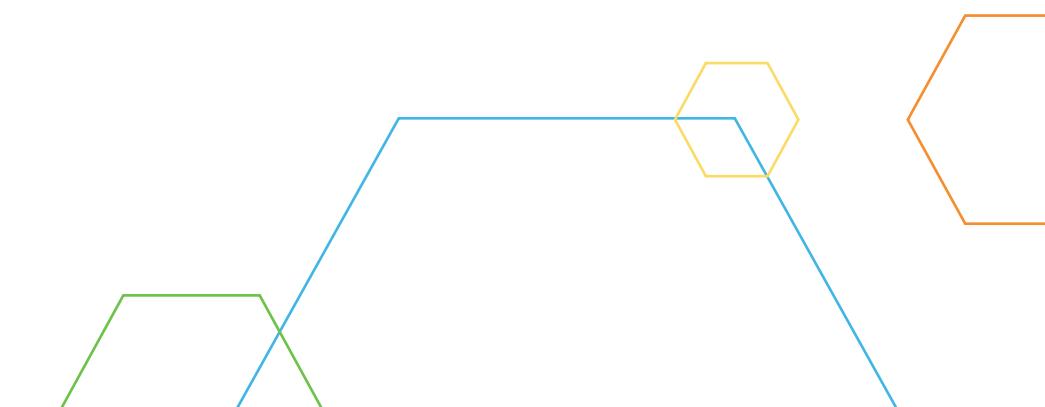
We maintain a worldwide network of contacts to obtain and evaluate real-time information. We engage with Non-Governmental Organizations (NGOs) and public and private resources to enable enhanced reaction times and maintain a formal internal communications structure devoted to business continuity.

## Testing

Our business continuity program is tested on a regular basis at the local level and periodically from a corporate level. This testing involves tabletop exercises, simulations, and live scenario testing which may include fire drills, shelter-in-place, and other exercises conducted in coordination with community stakeholders.



*The finished FPGA: From the supply chain, ready to be soldered on the board*





# Our Products

At Microchip, our products embody more than just what we deliver to our customers. We are dedicated to offering products and technologies that drive positive change in the world and enhance people's lives. Our efforts are focused on continuously reducing the environmental impact of our products throughout their lifecycles.



Jeremy P.

Rousset, France

*Low power for a better planet: Microchip is sustainable (Winner "Our Products" Category)*

# Environmentally Preferable Products

Microchip specializes in high-efficiency semiconductor microcontrollers/microprocessors (MCUs/MPUs), Field-Programmable Gate Arrays (FPGAs), analog, wireless, security, timing, discrete and human interface products.

We offer green, low-power solutions that promote energy efficiency and reduce the generation of hazardous waste, enabling our customers to design and manufacture environmentally preferable products.

## Consume Less Energy

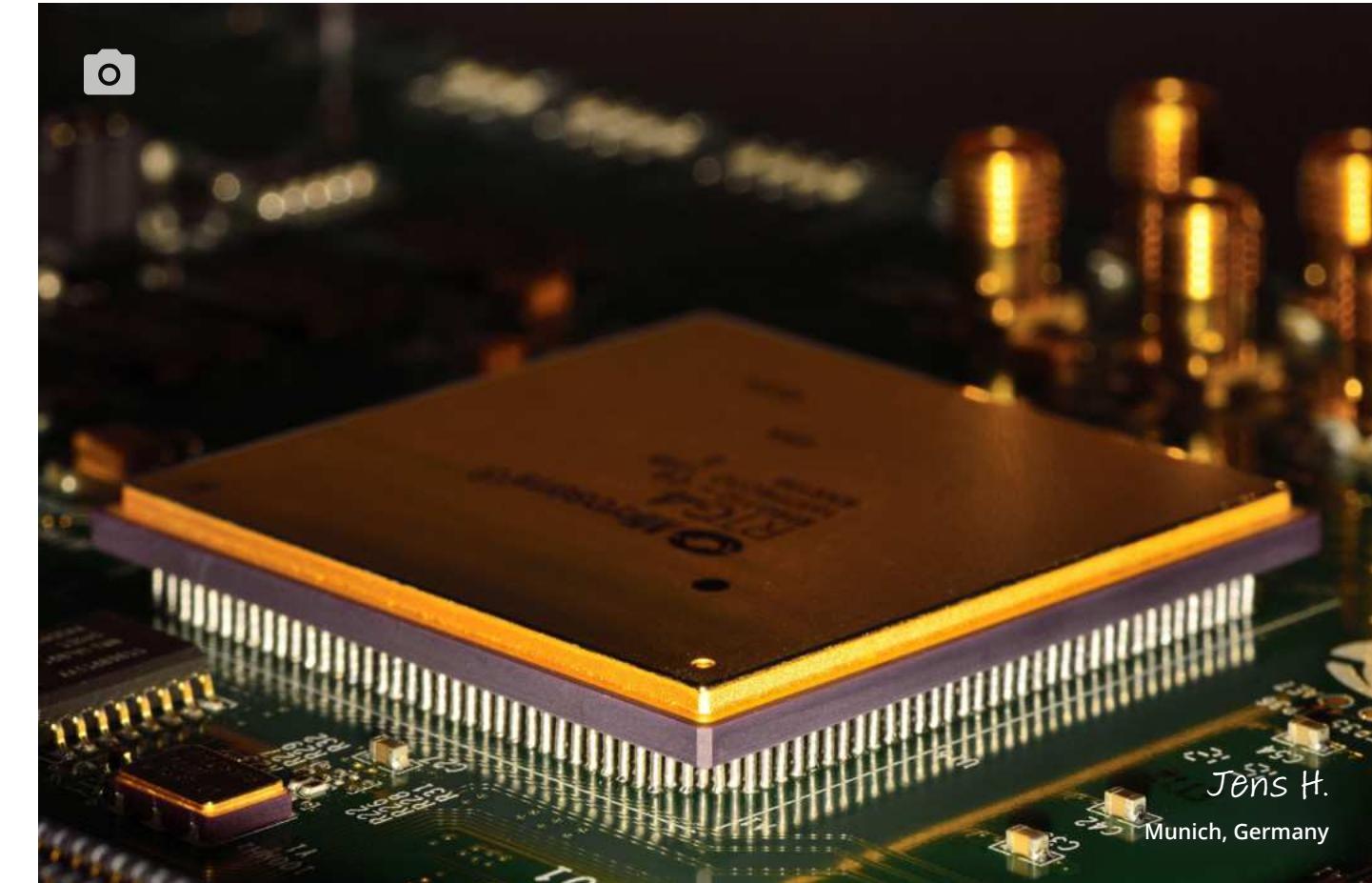
Our extremely low-power devices significantly reduce energy consumption and increase battery life in wearables and portables with a limited power source. We provide single-chip monitoring solutions for solar inverters, smart lighting, cloud servers, temperature sensors, and energy monitoring for commercial buildings and smart homes. Our precision motor control solutions enable higher efficiency using advanced control algorithms. Increasing motor control efficiency has a significant global impact, especially since almost half of the global power consumption is from motor operation. Also, our highly adaptive, intelligent power conversion solutions achieve the highest levels of efficiency in applications that convert power, such as power supplies for data centers, telecommunications and smart grids.

## Eliminate Waste

Water efficiency involves strategies to reduce water wastage and improve usage. This includes water-saving appliances, rainwater harvesting, and water-efficient gardening as well as large-scale agricultural farming, and leak detection. Our products have advanced sensors, smart processors, and connectivity to send secure messages about when and where energy, water or other resources need to be optimized.

## Continue Innovation

We also innovate with sustainability and energy efficiency in mind. Our focus on research and development provides environmentally conscious customers with an outstanding portfolio of environmentally preferable options, making us a supplier of choice for their designs. We believe that the continued development of green and high-efficiency products is key to the future of our company and the global economy. Producing environmentally advantageous products takes continuous innovation and commitment, and we are proud to share our vision and our progress as we work towards a more sustainable future.



RTG4 in the City Center: The lighting is what allows us to see...

# Sustainable by Design

Our products support our customers' efforts to reduce greenhouse gas emissions. We empower our clients to innovate and design applications with:

**Accurate Sensing:** Our design teams strive to develop analog solutions that enable deterministic, real-time control system responses for sensor data acquisition in harsh operating environments. These solutions deliver exceptional precision for a wide range of applications in industrial, automotive, and consumer markets.

**Lower Power Consumption:** Our engineers work tirelessly to create devices that minimize dynamic and static power dissipation to optimize energy consumption in products ranging from portable handheld devices to large-scale data centers.

**High-Efficiency Motor Control:** Our advanced controllers and analog components facilitate precise, rapid control over motor speed and torque across diverse motor configurations. These solutions reduce switching and conduction losses in power switches, which conserves energy.

**High-Efficiency Power Conversion:** Our rugged power management solutions, distinguished by their high power density, enable improved power conversion efficiency within renewable energy systems. These devices are designed with adaptive control loops that adjust to fluctuating operational conditions, resulting in the most efficient transfer of power from the energy source to end-use applications.

**Smarter Decisions:** Our high-bandwidth, large capacity communication devices enable efficient data transfer between nodes to increase a system's environmental intelligence for prudent utilization of precious resources. This efficiency enables precise deployment of water resources, optimization of solar panels for sunlight tracking, deactivation of lights in smart buildings, and implementation of smart vision in agricultural systems.

**Broad Portfolio of Products and Reference Designs:** Our reference designs, development tools ecosystem and third-party partnerships enable faster market adoption of sustainable designs utilizing an array of products across Microchip's broad portfolio.

## Silicon Carbide Enabled Sustainability

 Our goal is to mainstream sustainable energy by leveraging our mSiC™ products to improve harvesting, transmission, distribution, and consumption systems. Silicon carbide (SiC), a Wide-Bandgap (WBG) semiconductor, is key to a sustainable future, especially in power electronics and energy systems. SiC enables efficient power conversion, extending the range of electric vehicles (EVs), enhancing renewable energy integration, and improving electrical infrastructure performance.

Key contributions of SiC to sustainability include:

**Energy Efficiency:** SiC Metal Oxide Semiconductor Field Effect Transistors (MOSFETs) and diodes operate at higher temperatures, voltages, and frequencies than silicon, reducing energy losses in power conversion systems and overall energy consumption.

**Electric Vehicles:** SiC's high efficiency and heat tolerance reduce the size and weight of EV power electronics, extending vehicle range and encouraging the shift from fossil fuels.

**Power Grid Infrastructure:** SiC improves grid efficiency by enabling high-voltage, low-loss power transmission, making the grid more reliable and capable of porting power omnidirectionally.

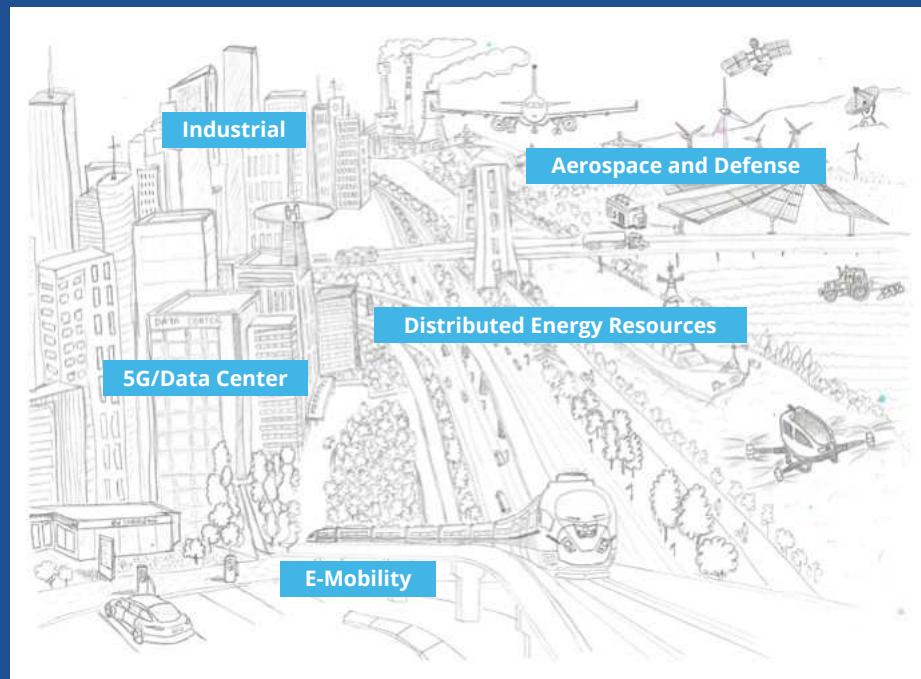
**Distributed Energy Resources (DERs):** SiC enhances the efficiency of inverters in wind, solar, and energy storage systems, ensuring more renewable energy is utilized rather than lost as heat.

**Longevity and Reliability:** SiC devices have longer operational lives and greater reliability, reducing waste and the demand for raw materials.

**Reduced System Size and Weight:** SiC's high power density allows for smaller, lighter power electronics, benefiting aerospace, defense, and EV applications.

**Regulatory and Environmental Impact:** SiC aligns with goals to reduce carbon footprints and gas emissions, such as Nitrogen Oxides (NOx) and Sulfur Oxides (SOx), through more efficient technologies and waste gas purification.

Overall, SiC plays a crucial role in advancing towards a more sustainable and energy-efficient future.



Rendering by Magdalena M. (Garching, Germany)

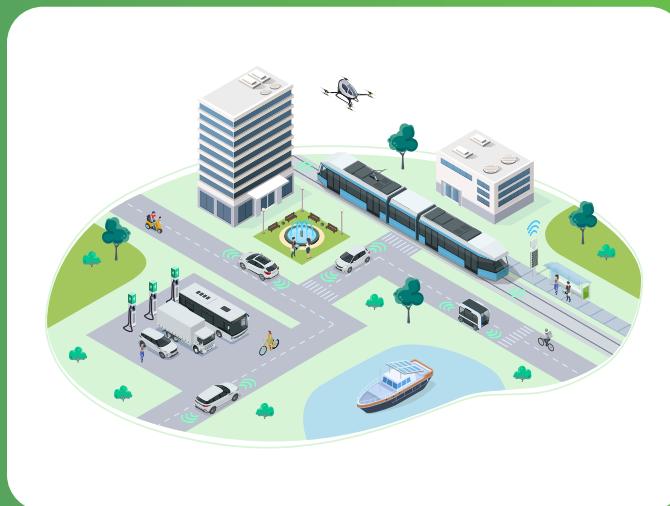
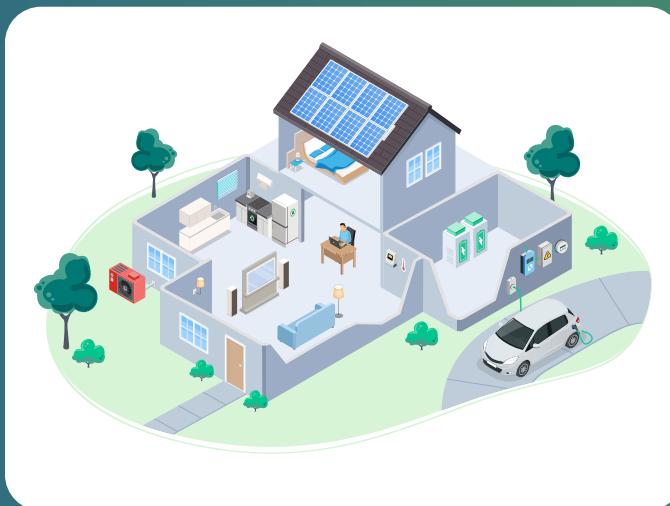


# Enabling Future Innovation

We contribute to reducing environmental impact by empowering innovation for our clients through a wide array of products that help reduce power consumption, increase efficiency, and minimize waste.

Microchip's devices play critical roles in applications such as cleaner energy generation, more sustainable homes, cities, and transportation, thereby enabling a more sustainable world. Our products support the creation of cleaner energy, enable efficient energy storage systems, and build smarter grids. They also help monitor and optimize energy and water use to prevent waste. In systems ranging from agricultural fields to large

factories, our products provide remote monitoring and control to ensure precious resources like water and energy are used efficiently. Additionally, our products are integrated into applications for asset tracking and sophisticated waste and recycling management systems, further contributing to waste reduction.



## Energy Generation

- Wind Turbines
- Hydrogen Fuel Cells
- Smart Grid Applications
- Commercial Solar Systems

## Sustainable Homes

- EV Charging Stations
- Residential Solar Systems
- Residential Energy Storage
- Energy-Efficient Appliances
- In-Home Energy Usage Display
- Heat Pumps and HVAC Systems

## Sustainable Cities

- Asset Tracking
- Leak Detection
- Smart Agriculture
- Smart Waste Management
- Smart Building Management
- Connected Solar Energy Storage Systems

## E-Mobility

- Electric Boats
- Smart Railways
- Electric Vehicles
- Urban Air Mobility
- Electric Two-Wheelers
- Connected and Automated Vehicles

# Global Product Compliance Laws

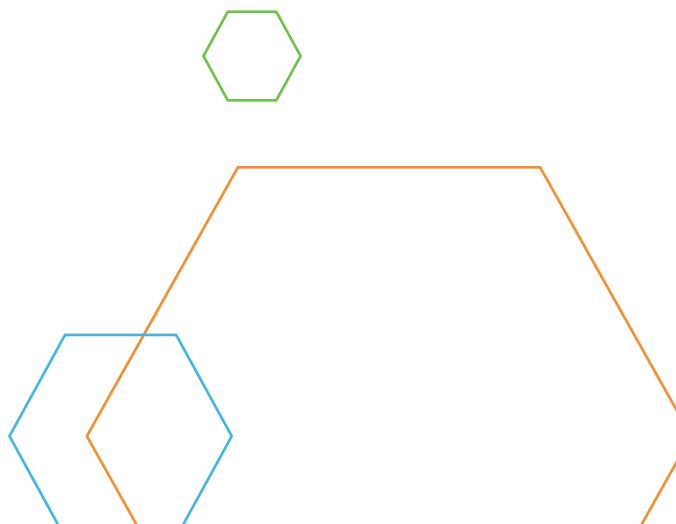
Microchip adheres to applicable product material compliance laws and regulations throughout the entire product lifecycle. Through the mitigation or elimination of potentially hazardous materials used in production, we strive to deliver safe and reliable products to our customers. To maintain product compliance and safety, we have developed a rigorous material compliance policy and a Hazardous Substance Process Management (HSPM) system with a goal of making products that are qualified to be introduced into markets around the world.

Visit [Our Products](#) web page for detailed information regarding our product material compliance program, including but not limited to:

- EU Declarations of Conformance
- EU RoHS Certificates of Compliance
- EU REACH Statements
- EU SCIP Compliance
- China RoHS EFUP and Compliance Statements
- California Proposition 65
- POPs, PAHs, and ODCs
- PFAS Compliance Statement
- UKCA and UK Declarations of Conformance
- TSCA Compliance Statement
- Material Content Declarations
- Product Package Information



Global product compliance: Focus on supplying quality products





# Our People

At Microchip, our identity as an organization is shaped by embracing values and cultures from around the world. Our people are at the core of our company. Each person's unique perspective enriches our collective vision, fostering a workplace that is safe, comfortable and rewarding.



Terje F.

Trondheim, Norway

Microchip Norway employees participated in a charity run to support CARE International



# Values and Culture

We are a company headquartered in the U.S. with operations around the world.

As of December 31, 2023, our global workforce consisted of approximately 23,000 employees. Employees are our greatest strength, and we place a high value on the diversity of our global workforce.

In 1990, we designed a cultural framework to unite employees around the world through shared workplace values and to guide employees' decisions, actions, and job performance. Our Guiding Values convey our overall philosophy and shape our day-to-day decisions and the way we conduct business. These guidelines create a successful foundation for employee empowerment and enhance employee development on all levels. While our core values have remained constant since 1990, we have updated or enhanced them over time to reflect the changes that we see in our global working environment.

We are publishing this data as part of our corporate responsibility reporting. The diversity data on the Workforce Demographics page is published based on calendar year 2023 data and a total of approximately 23,000 employees.

At Microchip, women represent 40% of our global workforce. We are committed to creating a supportive work environment for all employees to perform at their highest levels. This includes a commitment to developing and promoting women into technical and leadership positions within our organization.

We monitor gender statistics globally. We include an evaluation of our practices at the regional level and an analysis of the benefits that we offer.

Read more about [Our People](#) on our website.



*The best people at the best place: The best people make the best company*

Unithra C.  
Chennai, India

# CEO Diversity Statement

Microchip's business purpose is "Empowering innovation which enhances the human experience by delivering smart, connected and secure technology solutions."

The key to realizing this purpose lies in the strength of our company culture. Through our culture and innovative solutions, we strive to be a great place to work and build one's career. In this spirit, we value diversity and inclusion and believe that employees of all backgrounds contribute to our ongoing success. It is important that we support the needs of our employees without regard to race, color, ethnicity, national origin, religion, age, disability, gender (including gender expression and gender identity), sex or sexual orientation.

At Microchip, we understand that our commitment to inclusion, diversity, and equal opportunity for all begins at the top. We believe diversity is a fact, inclusion is a choice, and a sense of belonging is the result. We choose to foster inclusivity because we recognize the power of inclusion and diversity to better the lives of our employees and strengthen the performance of our company. Inclusion and diversity are not just words to us; they are part of two important Guiding Values practiced every day: "Employees Are Our Greatest Strength" and "Continuous Improvement Is Essential." This guides the way we do business and helps ensure our future success.

Microchip reinforces these values with programs to foster greater dialogue and mentorship opportunities for employees of underrepresented groups, and we have implemented methods to recruit, retain, and promote qualified candidates from diverse groups. We met 100% of our goal in 2023 to provide leadership training classes on the importance of diversity and inclusion to worldwide managers. We continue to welcome ideas for starting new Employee Resource Groups (ERGs), and in early 2024 we launched our newest ERG, Black Inclusion in Technology (BIT). An ERG at Microchip means an opportunity for employees to come together and work on personal and career development, create more space for employee engagement and continue to increase community outreach.

With an increased focus on a women's leadership initiative, we are pleased to have grown our Women in Technology (WIT) program in 2023. Through increased outreach efforts, we were also able to increase the number of hires for women and provide promotional opportunities to women at a steady rate year over year.

We continue to be committed to fostering a diverse and inclusive workplace and have expanded our initiatives to continue to engage proactively in partnerships and provide sponsorship to an array of diverse organizations within our communities such as the Society of Women Engineers (SWE), National Society of Black Engineers (NSBE), and more.

We are proud to have been named in *Newsweek Magazine's* 2023 listing for Americas Greatest Workplaces for Women, and 2023 and 2024's listings for Greatest Workplace for Diversity. Additionally, we were awarded Most Inclusive Workplaces in America by Best Companies Group in 2023. We are honored to have received comparable accolades across the globe and to be acknowledged by the diverse communities in which we operate.

Our Guiding Values are key to our success as a company. By having strong stakeholder relationships with our employees, customers, sales channels, suppliers, investors, and communities, we make certain that Microchip is well prepared to continue to deliver on our vision to "Be the very best embedded control and processing solutions company ever."

Ganesh Moorthy

President and Chief Executive Officer



I am deeply committed to cultivating a workplace environment that not only respects, but also celebrates diversity in all its forms. Our company recognizes that diversity is a key driver of innovation, creativity, and competitive advantage."

—Lauren Carr

Senior Vice President, Global Human Resources



# Diversity and Inclusion

Microchip places a high value on the diversity of its workforce. We provide equal employment opportunities and respect and value the diverse experiences and backgrounds of all applicants and employees.

We operate in compliance with Equal Employment Opportunity (EEO) laws for recruitment and hiring practices. Regular and updated training is provided to recruiters and managers to ensure understanding of ethical and legal hiring practices. In the U.S., all managers are required to complete and pass an affirmative action training course.

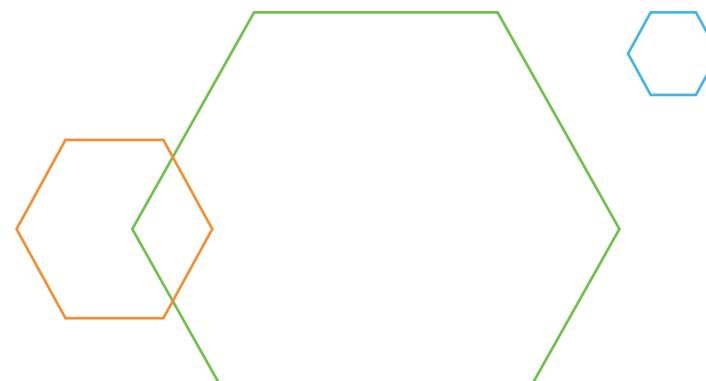
We use multiple recruiting platforms, including our company career site, social media, job boards at local colleges and universities, and various diversity and veteran-specific job boards.

Microchip has partnered with a third-party diversity recruitment and Office of Federal Contract Compliance Programs (OFCCP) compliance provider to ensure U.S. jobs postings are delivered to government agencies and various diversity sites. Our recruiting efforts in 2023 included attending diversity-focused career fairs and other outreach activities to target underrepresented groups such as women, veterans, individuals with disabilities, and other minority groups. We expanded our university partnerships in 2023 to include Historically Black Colleges and Universities (HBCUs) and will continue to make diversity recruiting a top priority.

In 2023, Microchip again expanded its development program focused on women at the company, called WIT. This program supports our employees by helping them grow business skills and develop corporate and technology industry acumen. The WIT program currently has three avenues: a three-phase development series, a WIT speaker series featuring internal and external leaders and influencers, and women-led development and career support groups called Circles.

WIT Circles choose topics and development goals independently and use resources offered by Lean In, an organization working to help women achieve their ambitions and create more inclusive workplaces. To date, over 100 women are participating in locally driven Circles, with more new groups on the horizon.

Military service members and veterans are truly an asset to Microchip's workforce, and we seek to recruit veterans and retired members of the military for various positions. The outstanding military training and education they receive, combined with real-world experience in teamwork and leadership, are valued attributes. In the U.S., we participate annually in local and national veteran career fairs including VetTalks, sponsored by Best Companies and Career Connectors. We also promote job openings on veteran and military job boards and partner with veteran groups and agencies as a veteran-friendly employer. We work with Skill Bridge, a program where military members separating from service may leave active duty 180 days in advance to participate in internship programs with prospective employers. These service members continue to be paid by the military as part of the program as they transition to new careers. There are 308 U.S. Veterans currently in our workforce.



Love

## DIVERSITY AND INCLUSION *continued*

### Inclusion at Microchip

At Microchip, we are deeply committed to cultivating a workplace that embraces diversity and inclusivity, empowering our employees to reach their utmost potential. To ensure an inclusive work environment and foster an inclusive work culture, we continuously implement diversity and inclusion initiatives. In Asia, our award-winning Global Organizational Learning and Development (GOLD) department delivers inclusive leadership training to all managerial-level employees. This program aims to foster an inclusive culture at Microchip and nurture leaders who actively promote and advocate for an inclusive work environment.

### Inclusive Hiring Practices and Equal Employment Opportunities

We are dedicated to embracing inclusive hiring practices and providing equal employment opportunities to all individuals. We firmly believe that diversity and inclusion are key drivers of innovation and success. We actively strive to attract talent from a wide range of backgrounds, ensuring that our workforce is a true reflection of the diverse tapestry of our society. We strive to create an environment where everyone feels valued, respected, and empowered to contribute their unique perspectives and skills.



Yuga P.  
Arizona, USA

*State Road, Arizona: Where trees tell stories*

To ensure greater access to job opportunities for women locally, our Women's Career Forum on social media serves as a platform for connecting them with a wide range of employment options. By promoting job openings through this forum, we aim to expand the visibility of opportunities and create a more inclusive job market for women in India. This initiative is designed to empower them, provide them with increased access to job opportunities, and foster their professional growth within their local communities.

We take great care in crafting our job advertisements to make them inclusive and attractive to a wide range of candidates. In our commitment to fairness and equal opportunities for every individual, we uphold a bias-free screening and selection process, actively avoiding the use of biased terminology. We constantly coach our hiring managers to recognize and mitigate any unconscious biases during candidate screening and selection that may affect hiring decision-making.

### Employee Referral Program

We encourage our employees to refer candidates from diverse backgrounds, acknowledging the significance of their networks in assessing a broader talent pool. Specifically at our India sites, we aim to have increased visibility of our job openings to female candidates who have taken a break for maternity or childcare purposes and are seeking to re-enter the workforce. As a socially responsible employer, we prioritize the positive impacts of supporting local community employment and help the underrepresented overcome barriers.

### Outreach to Young Students

We proactively connect with young students through various initiatives, including university job fairs, career talks, and technical talks focused on our industry. These engaging activities aim to bridge the gap between academic and the professional world, providing students with insights into potential career paths and industry trends. By participating in these events, we offer guidance, share knowledge, and inspire the next generation of talent.

As part of our dedication to inclusivity, we consistently offer internship programs specifically designed for young students who may have limited prior employment experience. Our internship programs not only provide students with practical learning experiences and employability skills but also contribute to our company's commitment to inclusivity. By offering internships to a diverse range of students, we create a more inclusive and representative workforce. This helps us nurture a culture that values and embraces a wide range of perspectives.

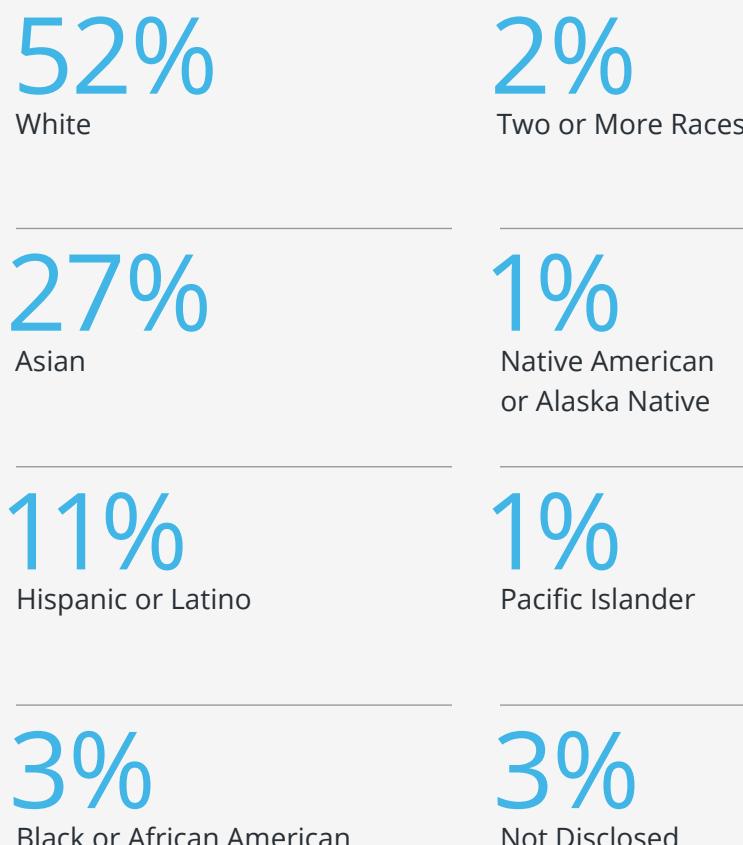
### Employee Health and Wellness

At our company, we recognize that promoting employees' health and well-being are essential for creating a supportive workplace where our employees can contribute their best. In line with this commitment, apart from a comprehensive health plan for our employees, we offer regular health awareness talks and workshops. In India, we invited an esteemed fertility specialist to share knowledge and raise awareness amongst our female employees on various health-related issues faced by women.

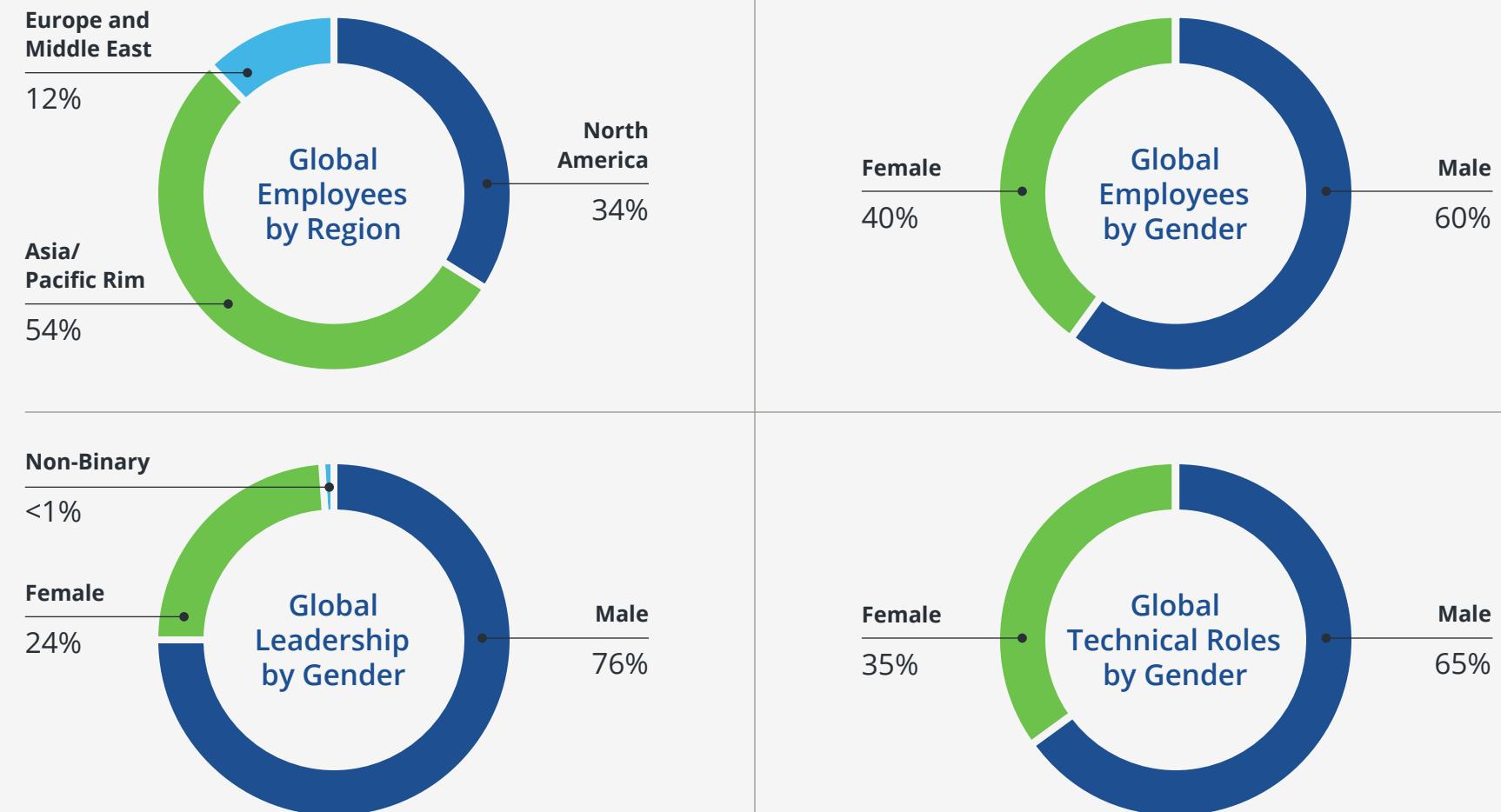
# Workforce Demographics

In the U.S., we analyze gender, race, and ethnicity representation to ensure that we are attracting, developing, and retaining diverse team members. Our U.S. workforce data is prepared in accordance with the Federal Employer Information Report EEO-1. This report has broad, fixed categories that are not reflective of our global workforce or our complex job structure. We are sharing our data in the interest of transparency.

Below is a racial and ethnic breakdown of Microchip's 7,127 U.S. employees as of December 31, 2023:



Globally, we analyze gender representation. Below is a gender breakdown of Microchip's 23,000 global employees as of December 31, 2023:



# Employee Recruitment and Retention

We design jobs and provide opportunities that promote teamwork, productivity, creativity, pride in work, trust, integrity, fairness, involvement, development, and empowerment.

We base recognition, advancement, and compensation on an employee's achievement of excellence in team and individual performance. We are committed to providing strong benefits and wellness programs, safe and inclusive workplaces, continuous opportunities for training and professional development, and equal employment opportunities to all.

## Learning and Development

Employees are our greatest strength. Like the nearly infinite permutations of microcontroller design, every employee brings a unique set of interests and experiences to their work. Microchip's award-winning GOLD department supports each employee on their personal journey to career success. In 2023, employees engaged in over 2,200 live classes, 320,000 online courses, and over 1,200 one-on-one coaching sessions.

We teach essential business competencies like global teamwork, empowerment, and communication. We offer an expanding suite of technical programs for our vibrant engineering community. We enable our client engagement teams to serve our customers with insight and purpose. And we offer specialized resources for people building skills in IT, manufacturing technology, and beyond.

Tuition reimbursement helps many employees achieve degrees while growing their careers, and we get excited when seeing our talented interns transition to full-time positions after graduation. Microchip employees often take up the challenge of leadership service. We are proud of our robust pipeline that offers tailored development for roles from front-line manufacturing to leadership and a serious track record of internal promotion. Over 1,150 people completed leadership programs in 2023.

We know that diverse and inclusive teams are the strongest teams. Our Working Globally, Crossing Cultures core course brings insight into cultural-



Monthly 6s clean up failure analysis department drive: Keeping a clean and safe environment (Winner "Our Company" Category)

events and conferences, and job posting sites. We value the partnerships and brand recognition we have built with top universities through many activities, including judging at engineering-related competitions, participating in campus informational sessions and industry conferences such as Institute of Electrical and Electronics Engineers (IEEE), assisting in curriculum design, sponsoring senior-level capstone projects, and serving as guest speakers in various capacities. We also provide product samples, development tools, and demo boards to educational institutions in many locations.

## New College Graduates

We consider a New College Graduate (NCG) as anyone who successfully completed a bachelor's or master's degree within the last three years. Microchip hosts a biannual in-person/virtual program in the U.S., Asia, and Europe for NCG employees that focuses specifically on their needs by providing engagement with the executive staff, technical training, personal development workshops, a formal mentoring program, team-building activities, and community service work. The goal of this program is to prepare our NCG hires for success in their Microchip journey and inspire the next generation of engineers.

## Internships

Our internships provide challenging and rewarding hands-on experience and the opportunity to work closely with senior staff and industry professionals. Our interns contribute to critical projects and significant day-to-day business activities. Their term of service can be anywhere from three months to one year or longer, and many return to Microchip several times during their educational journey. Our goal is to transition as many successful interns as possible to full-time roles upon their graduation.

## University Programs

Our university involvement aids in our overall recruitment efforts to attract top talent. We actively recruit at university career fairs, student organization

# Total Rewards

We believe our employees are essential to our ongoing success, so our global compensation and benefits programs have been designed to reflect this value.

We offer competitive and comprehensive benefits packages to our employees around the world. While the specific details vary by country or region, Microchip's philosophy is to provide total compensation for all employees.

## Compensation

Our compensation programs provide our employees with competitive compensation through salary and shared profit and ownership:

- Competitive compensation
- Quarterly bonus programs
- Restricted Stock Units (RSU) awards

## Health and Wellness (U.S. only)

Our benefit programs provide employees the opportunity to select the benefits that work best for them and their families. We provide on-site medical clinics at our Arizona, Colorado, and Oregon locations to promote health and wellness. In addition, we hold on-site classes at many of our larger locations for meditation and virtual yoga. We also provide quiet rooms and nursing mother rooms at several sites. Examples of other health and wellness benefits offered to employees:

- Comprehensive health plans (five medical plan options including a High Deductible Health Plan (HDHP) with Health Savings Account (HSA))
- On-site mammography and prostate exams
- On-site vaccinations for flu, pneumonia and COVID
- Gyms at specific locations
- Employee Assistance Program (EAP) that provides counseling and resources for employees and their families
- Employee discounts
- ARAG prepaid legal program
- Various webinars related to health offered throughout the year

## Time Off

We believe our employees need to have time available to rest and relax and programs that provide flexibility when there is a need for time off. We provide these various time-off options:

- Paid vacation
- Paid Sick Leave (PSL)
- Paid holidays
- Paid parental leave
- Bereavement leave

## Financial Wellness (U.S. only)

We believe that employees need to be supported in their financial wellness in addition to their health. We host numerous webinars each year to support our employees and their families on their financial journey. We also provide these financial benefits to assist them:

- Short- and long-term disability
- Long-term care insurance
- E\*TRADE from Morgan Stanley education on equity and tax specifics
- Fidelity NetBenefits® education on the aspects of 401(k)s and retirement planning
- Fidelity NetBenefits one-on-one sessions with financial advisors
- Local Social Security sessions to educate employees about Social Security and Medicare



Flowers of Mt. Rainier; Cabin on Indian Henry's Hunting Grounds on the Wonderland Trail in Mt. Rainier National Park

Becky K.  
Oregon, USA

# Employee Engagement

## Labor/Management Relations

While none of Microchip's employees are unionized, we do acknowledge the right to collective bargaining where allowed by law. We have strong employee programs to support employees and their families, including robust benefits plans and career development opportunities. In 2023, we had employees participating in collective bargaining agreements in the following countries: Austria (100%), Finland (100%), France (100%), Germany (65%), Italy (100%) and Spain (100%).

## Non-Discrimination and Equal Employment Opportunity

We acknowledge the right of all employees and applicants to be treated fairly and as individuals free from any discrimination, including harassment, bullying, and intimidation. We provide a safe and inclusive work atmosphere that is free of harassment, and we recognize that our success depends on the inclusion of all qualified people that work for and with our company regardless of race, color, ethnicity, religion, age, national or social origin, ancestry, citizenship status, marital or familial status, physical or mental disability, legally protected medical condition, genetic information, pregnancy, gender (including gender expression, gender identity, transgender and sex stereotyping), sex (including pregnancy, childbirth, breastfeeding, or related medical condition and sex stereotyping), sexual orientation, military- or veteran-protected activity (such as opposition to or reporting of prohibited discrimination or harassment, or seeking an accommodation for a disability), or any other status or classification protected by applicable federal, state and/or local laws.



Empowering Women WSG: Keep Your Head Up Keep Your Heart Strong

Nevedha S.  
Chennai, India

# Community Involvement

A great community is measured by the compassionate action of its members. Microchip is an active participant in the communities in which we operate.

We give back by supporting and donating to schools, clubs, and charities and through volunteer work. To encourage volunteering, we offer our employees two paid days per calendar year to work together with local charities at organized events and serve others. The ways in which we support the local communities where we operate reflect the diversity of the people and the needs of those communities. This section highlights some of the volunteer work that Microchip employees completed in 2023.



Human Resources teamwork at Charity's Hope

Yvonne R.  
Colorado, USA



## COMMUNITY INVOLVEMENT *continued*



### Hong Kong

#### Box of Hope

We hosted a festive donation event with over 30 employees participating by donating 15 festive boxes with essential hygiene products, stationery, and toys to bring joy to underprivileged children in Hong Kong.

### India

#### School Cleaning Drive

Our employees, along with their families, helped clean and do some maintenance projects at a local public school to provide students with a comfortable learning environment.

### Malaysia

#### Donation to People in Need in Georgetown Area

Employees distributed essential products, food, and water to people in poverty in the Georgetown area.

#### Kenchara Soup Initiative

We partnered with the Kenchara Soup Kitchen in Georgetown and provided approximately 150 food boxes to the local community.

#### Pertubuhan Seri Cahaya Food Charity

We supported Pertubuhan Rumah Kebajikan Seri Cahaya by helping them raise funds at a food fair, held at the Methodist Boys School, for children and those in need.

#### Charity Drive

Our employees supported this event by distributing donated items to four chosen charities that help the homeless, disabled children, orphans, and the elderly:

- Pusat Jagaan Rumah Charis Penang, Relau (serving senior citizens and orphans)

- Penang Handicapped Welfare Association, Jelutong (serving children with disabilities)

- Pertubuhan Kebajikan Kasih Insan Pulau Pinang, Jalan Besi, Island Park (serving individuals with disabilities)

- St. Nicholas Home Penang, Pulau Tikus (serving the visually impaired)

### Health Camp

We partnered with Zebra Technologies in a comprehensive health camp, with blood donation and dental checkup services offered to the local community.

### Philippines

#### Katutubong Aeta Mission

Our employees supported the Tribong Malasakit to conduct a donation drive in Pampanga to donate food, clothing, and toiletries to Aeta (Ayta), which is one of the indigenous communities in the Philippines.

#### Gift Giving to Adopted Children's Foundation

Our employees worked with the Children's Youth Foundation in Calamba. Microchip donated a wall fan, a floor-standing fan and rechargeable lights to the foundation.

#### LISP II Environmental Fun Run 2023

Employees from both of our manufacturing locations in the Philippines joined this event to build camaraderie and support this Corporate Social Responsibility (CSR) event by adopting the Barranca de Sipit Creek. The project aimed to raise funds to protect and preserve Baranca de Sipit Creek that traverses the Light Industry and Science Park II (LISP II). It was held in coordination with DENR-EMB CALABARZON, Calamba City Environment and Natural Resources Office, Barangays Real, La Mesa, and homeowners of nearby subdivisions.

## COMMUNITY INVOLVEMENT *continued*

### Brigada Eskwela: School Maintenance Week

Our employees participated in a donation drive for essential supplies and other volunteer activities supporting the Calamba Special Children (SPED) Center and Laguerta Elementary School.

### Blood Donation

Employees of both Microchip manufacturing locations participated in a voluntary blood donation event to support the Red Cross of Philippines.

### Donation to SPED School

Microchip donated two 55" TVs, two desktop computers, two printers, ink, paper, and other school supplies to Las Piñas Elementary School SPED, a school for children with special needs in the local community. We also provided meals to the students on the day of the event.

### Donation to Home for the Aged

We donated wheelchairs, groceries, and meals to the elderly residents of the House of Somang.

### Paranaque Wetland Park Cleanup

Microchip Philippines employees participated in a coastal cleanup at the Las Pinas-Paranaque Wetland Park. By working with 100 employees from other companies, they were able to pick up about 68 sacks of garbage in two hours.

### Thailand

#### Student Scholarships and Presenting Gifts

We supported low-income students in the local community with scholarships and gifts as an award for their good grades.

#### Smart Farm Project

Employees participated in a smart farm project that was held at the Chacherngsaoapanyanukul School in Chacherngsao, a local school for students with intellectual disabilities. Students learned about smart farm technology and cultivation.



Microchip Philippines employees at Paranaque Wetland Park

### Donation of Trolleys and Shelves to Local School

We donated used trolleys and shelves to Watsawangaram School.

### Tent Donation to Embassy of the Republic of Turkey

We donated tents to the Embassy of the Republic of Turkey to support those who were affected by the earthquake in Turkey.

### Electronic Equipment Donation

We donated TVs to Chacherngsao Technical College to support local students in their studies at school.

### Trees and Vegetable Planting

This event was held in Watchanasongsarn Primary School in Chacherngsao to encourage students to grow their own fruits and vegetables for sustainable food in the community.

### No Tobacco Campaign

We partnered with the following NGOs to educate the community regarding the negative effects of smoking. We held an exhibition and distributed leaflets to discourage people in our community from smoking.

- Bansawangaram District Health Promotion Hospital
- BangNumPriw Public Health
- Singtotong Subdistrict Administrative Organization

### Office Equipment Donation

We donated desks, office, and sports equipment to Pakklongbankanak School.

### Anti-Drug Activities

We organized two anti-drug campaigns in Pakklongbankanak School and Watklongjow School with educational games to educate students about the dangers of drug use.

### Equipment Donation

We hosted a donation event in Chacherngsao where our employees contributed to a fund for preparing equipment and supplies (adult diapers, wet wipes, bed pads, cotton balls, sanitizers, etc.) for bed-ridden patients.

### Planting Mangrove Forest at Kongkaram Temple

We partnered with East Water Co. Ltd., UU Co. Ltd., and the Bangpakong community in a mangrove tree planting event in the Bangpakong community. Our employees assisted with planting a total of 500 mangrove trees.

### Donation

We partnered with The Office of Sheriff of Bangnampoe District to donate 70 relief boxes and distributed them to people with disabilities in the Bangnampoe District.

### Medical Supply Donation

We donated 100 bags of medical supplies, and our employees distributed them to bed-ridden patients in Bangnampoe District, Chacherngsao.



## COMMUNITY INVOLVEMENT *continued*



### France

- Microchip organized career events at Polytech Marseille TIC and Digital Forum, Les Mines St Etienne, and Digital Native Forum at the ISEN school.
- Our employees participated in a cleanup of the Rousset area.
- Microchip employees donated a collection of notebooks, pens, and pencils for children in rural areas of Morocco.

### Ireland

- Microchip employees participated in beach cleaning in Little Island.

### Israel

- Employees volunteered time with Leket Israel to help sort and distribute food to those in need.

### Romania

- We hosted two on-site blood donation campaigns during the spring and fall.
- Microchip hosted a one-week Easter Bunny charity event which raised funds and provided supplies for 42 children from a placement center near Bucharest.
- We collected clothing, school supplies, and cash donations for over 40 children from the Inimi Noi Association.
- Microchip employees hosted an exhibition stand at RoboChallenge 2023, the biggest robotics contest in Europe, to assist students with using our development tools in their projects and offer engineering advice.
- Microchip employees participated in a cycling challenge to raise funds for children with special needs from the Concordia Humanitarian Organization.



*Community lake/river cleanup by Microchip Romania employees*

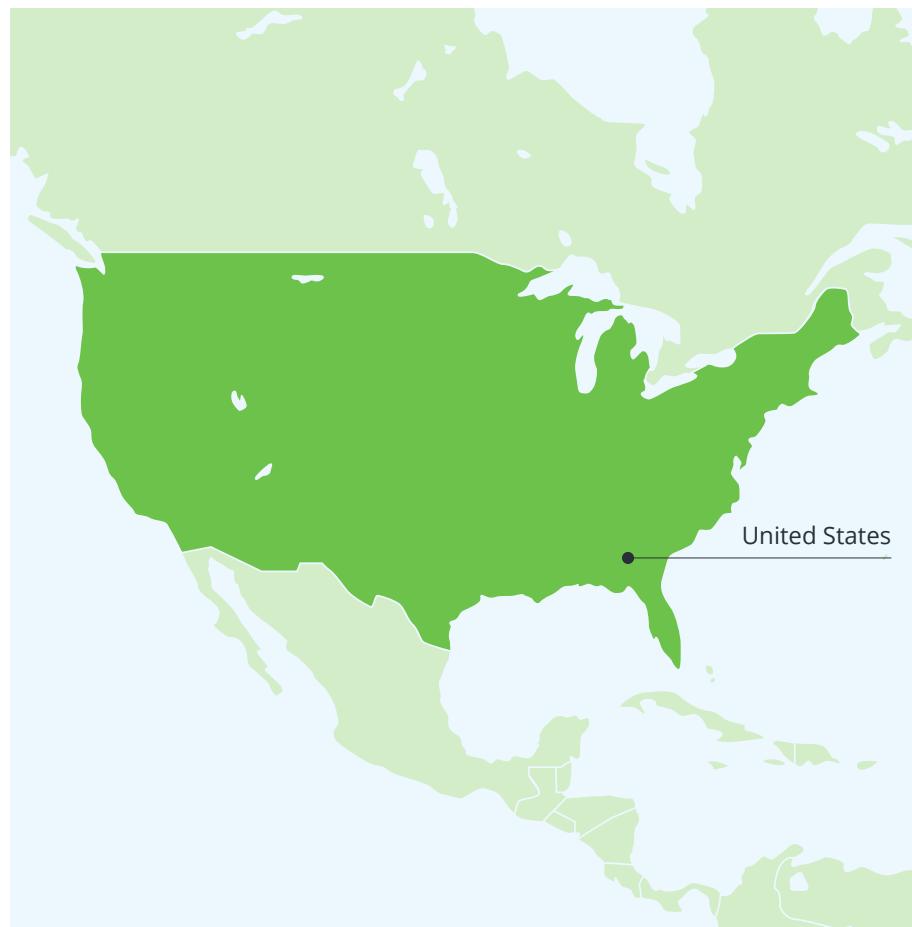
- Employees volunteered to help clean up Baneasa Forest and the river banks of the Doftana Valley.
- Employees organized a successful fundraiser event where they sold cakes and handmade items to assist those in need.

### United Kingdom

- Employees organized an on-site bake sale and the proceeds were contributed to MacMillan Cancer Support.
- Our Caldicot site hosted a Science, Technology, Engineering and Mathematics (STEM) event for local high school female students.
- Microchip employees volunteered time to plant bulbs at Buckler's Forest and maintain a secret garden at Snaprails Park.
- Employees donated and wrapped gifts for the Royal Berkshire Hospital gift tree appeal for patients in hospital on Christmas Day.



## COMMUNITY INVOLVEMENT *continued*



### United States

- Arizona employees donated their time to pack food packages at Feed My Starving Children.
- California's most popular charities included Meals on Wheels and Second Harvest.
- Oregon employees participated in Hands on Greater Portland park restoration and Trail Keepers of OR trail maintenance projects.
- Colorado employees participated in the City of Boulder Volunteer Day cleaning Boulder Creek, and in Colorado Springs, they were involved with Rocky Mountain Field Institute trail restoration and Habitat for Humanity projects.
- Massachusetts employees organized donated clothing at Beverly Bootstraps Thrift, and volunteered at Lazarus House, which is a local food bank.
- New York employees in Hauppauge volunteered at Habitat for Humanity and the Ronald McDonald House.
- Texas employees were involved in the Northwest Assistance Ministries annual Toy Drive.
- 12 Microchip employees volunteered their time to prep and paint the inside of Humane Pennsylvania's Community Resource Center (CRC) which is a hub for the organization to provide life-saving vaccines, microchips and pet food and supplies to local pet owners in need.
- 1,200 climbers came together at the South Mountain Park for the Annual Climb to Conquer Cancer of Phoenix to raise awareness and funds for cancer patients. A total of \$193,000 was raised during the event and Team Microchip ended up finishing in 3<sup>rd</sup> place (out of 84 teams) raising \$6,028.



### Keeping our Neighborhoods Clean

We are proud to highlight our participation in the Adopt A Highway program. Over the past year, we facilitated the collection of 84 bags or 756 lbs of trash and the cleaning of 62 miles of roadway.

## COMMUNITY INVOLVEMENT *continued*

### STEM Outreach

At Microchip, we acknowledge that we have a responsibility to influence and impact the education of the next generation of engineers to create a stronger, better educated community and workforce through engagement with STEM.

Microchip supports For Inspiration and Recognition of Science and Technology (FIRST®), the Robotics Education Competition (REC) Foundation and recently started to support an underwater remotely operated vehicle (ROV) competition, the National Underwater Robotics Challenge. These organizations offer hands-on STEM learning through building robots for competition. Students interact with industry mentors and learn workforce skills such as time management, critical thinking, problem solving, teamwork, public speaking, and marketing.

In 2023, Microchip was the organizing sponsor for two FIRST Robotics regional events and the Steve Sanghi Family Foundation sponsored the Arizona FIRST Robotics State Championship, advancing nine FIRST Robotics Competition teams to the FIRST Championship in Houston, TX. Microchip hosted a FIRST Lego League tournament and a FIRST Tech Challenge tournament in Chandler, where each event advanced teams to the state championship. The Sanghi and Moorthy Family Foundations sponsored four scholarships. These scholarships enable students to pursue a college degree in science, engineering, or mathematics. Rich Simoncic's foundation, Simoncic's Opportunity for Art



*Stack up: Improving productivity by organizing the desk*

and Robotics (SOAR) provided registration funding for rookie FIRST Robotics Competition teams to attend the championship event.

Microchip offers financial and individual support for robotics programs in a variety of ways including:

- Providing a full-time STEM representative to FIRST and VEX
- Providing a regional director for FIRST in Arizona
- Awarding financial grants to rookie FIRST and VEX teams
- Offering facilities, supplies, and supply discounts for participants and staff volunteers working with FIRST, VEX, and AZFirst, a local non-profit supporting robotics in Arizona
- Supporting employees who mentor robotics teams and volunteer at events

- Sponsoring VEX teams for the children of Microchip employees
- Providing financial sponsorship to two FIRST regional events in Arizona
- Providing financial sponsorship for the VEX World Championship

### Project C.U.R.E.

Project C.U.R.E. is the world's largest distributor of donated medical supplies, equipment, and services to resource-limited locations around the globe. Founded in 1987, the organization has shipped more than \$1 billion of life-saving resources to 135 nations worldwide. Since 2007, Project C.U.R.E. has been utilizing approximately 46,000 square feet of space donated by Microchip as their Arizona warehouse location, where they collect donations of excess, unused items from local medical facilities and distribute them to hospitals and clinics in developing countries.

In 2023, the Project C.U.R.E. Phoenix warehouse loaded 22 containers, valued at over \$8.5 million in Gifts-inKind (GIK), to 20 different countries. This effort included two relief shipments to Ukraine and Palestine; the shipment to Ukraine departed on July 17, 2023, and the one to Palestine followed shortly after the onset of the war in Gaza. Additionally, the Phoenix warehouse coordinated the preparation of pallets loaded with gauze, dressings, and other emergency medical supplies from six other Project C.U.R.E. warehouses across the U.S., aimed at supporting those in need in the Middle East and Ukraine.

By eliminating the overhead cost of maintaining warehouse space, Microchip enables Project C.U.R.E. to allocate more funds to providing care and resources to those who need them most. In 2023, this generosity enabled Project C.U.R.E. to engage 2,992 volunteers, who contributed over 23,000 service hours. Microchip employees also actively participated, assisting in sorting and preparation of donated items for international distribution.

### Microchip Supports United Way

Microchip employees and corporate locations invested time and money to support the following local United Way chapters in 2023: Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Texas, Washington, and Wisconsin. During the 2023 campaign season, support from employees provided direct assistance to over 50 United Way chapters. Over \$220,000 was distributed to communities and organizations that provide educational resources, increase access to health and food support, and contribute to programs needed to help end hunger and homelessness. Funds not tied to an area of need went to general "Force For Mighty Change" support and Financial Stability program access. This year in Chandler, employees participated in creating dog toys for a local shelter, encouragement cards for a local elementary school and visiting a Human Services Campus as part of our community outreach efforts.

# Environmental Health and Safety

In 2023, Microchip embarked on a significant journey to enhance its Environmental Health and Safety (EHS) practices, marking a new phase of effectiveness and leadership.

Key improvements were implemented, including the expansion and growth to incorporate more EHS leaders at the corporate level and the strengthening of the on-site presence across major manufacturing facilities. These strategic changes empower continuous improvement initiatives at our sites, while allowing corporate EHS to focus on navigating regulatory environments and implementing emerging requirements.

A pivotal decision was made to integrate EHS and ESG functions into a cohesive framework, resulting in tangible benefits as both teams now collaborate seamlessly, fostering efficient cooperation and streamlined processes. This integration has transcended previous compartmentalization, fostering a culture of teamwork characterized by fresh perspectives and enhanced communication channels. Looking forward, the integrated team is positioned to deliver unified, goal-oriented performance, going beyond mere compliance to embrace a future defined by excellence.

"Safety and Security are Never Compromised" stands as a guiding value at Microchip, with safety taking precedence in every facet of our operations. In 2023, EHS reaffirmed its commitment to fostering a robust safety culture, recognizing the unique challenges and advantages stemming from our growth through acquisitions. Emphasizing job-safety analysis, hazard mitigation, and comprehensive training, we embarked on initiatives aimed at mitigating risks and addressing observed trends, such as ergonomic injuries.

A suite of new training programs was introduced to tackle ongoing safety challenges, with performance metrics meticulously monitored and discussed at regular intervals with site leaders and executive management. As we stride into 2024, our focus remains unwavering on maintaining vigilance, implementing targeted enhancements, and fostering a culture of continuous improvement.



Aligned with Microchip's overarching commitment to EHS, our corporate policy underscores several fundamental principles:

- A steadfast commitment to developing, implementing, and continuously improving EHS programs
- Placing the well-being of our employees and the communities we operate in at the forefront of our policies and decisions
- Proactively identifying, evaluating, and implementing opportunities for pollution prevention
- Ensuring compliance with all pertinent environmental, health, and safety regulations
- Integrating EHS considerations into our business operations, leveraging the innovative spirit and creativity of our workforce

Moving forward, Microchip has standardized OSHA public recordable communications for all locations falling within the Standard Industrial Classification (SIC) category 3674: Semiconductors and Related Devices. This strategic shift aligns with our corporate vision of bolstering EHS leadership and fostering a more streamlined approach towards achieving companywide goals. By embracing a unified approach, we empower both on-site EHS teams and corporate leadership to invest in comprehensive incentives that transcend individual site metrics, thereby reinforcing our commitment to safety across the entire Microchip family.

## Recordable Incidents<sup>1</sup>

OPERATIONS AND LOCATION	2021	2022	2023 <sup>2</sup>
U.S. Front End Manufacturing	28	40	40
U.S. Other Manufacturing	11	9	10
International	4	4	3

1 Based on U.S. OSHA criteria for recordable cases.

2 66% ergonomic related injuries. For the past three years ~50% of injuries were ergonomic related.

## Injury Rate<sup>3</sup>

OPERATIONS AND LOCATION	2021	2022	2023
U.S. Front End Manufacturing	1.31	1.60	1.52
U.S. Other Manufacturing	0.50	0.39	0.41
International	0	0	0

3 Injury Rate = (Number of injuries and illnesses X 200,000) / Employee hours worked.



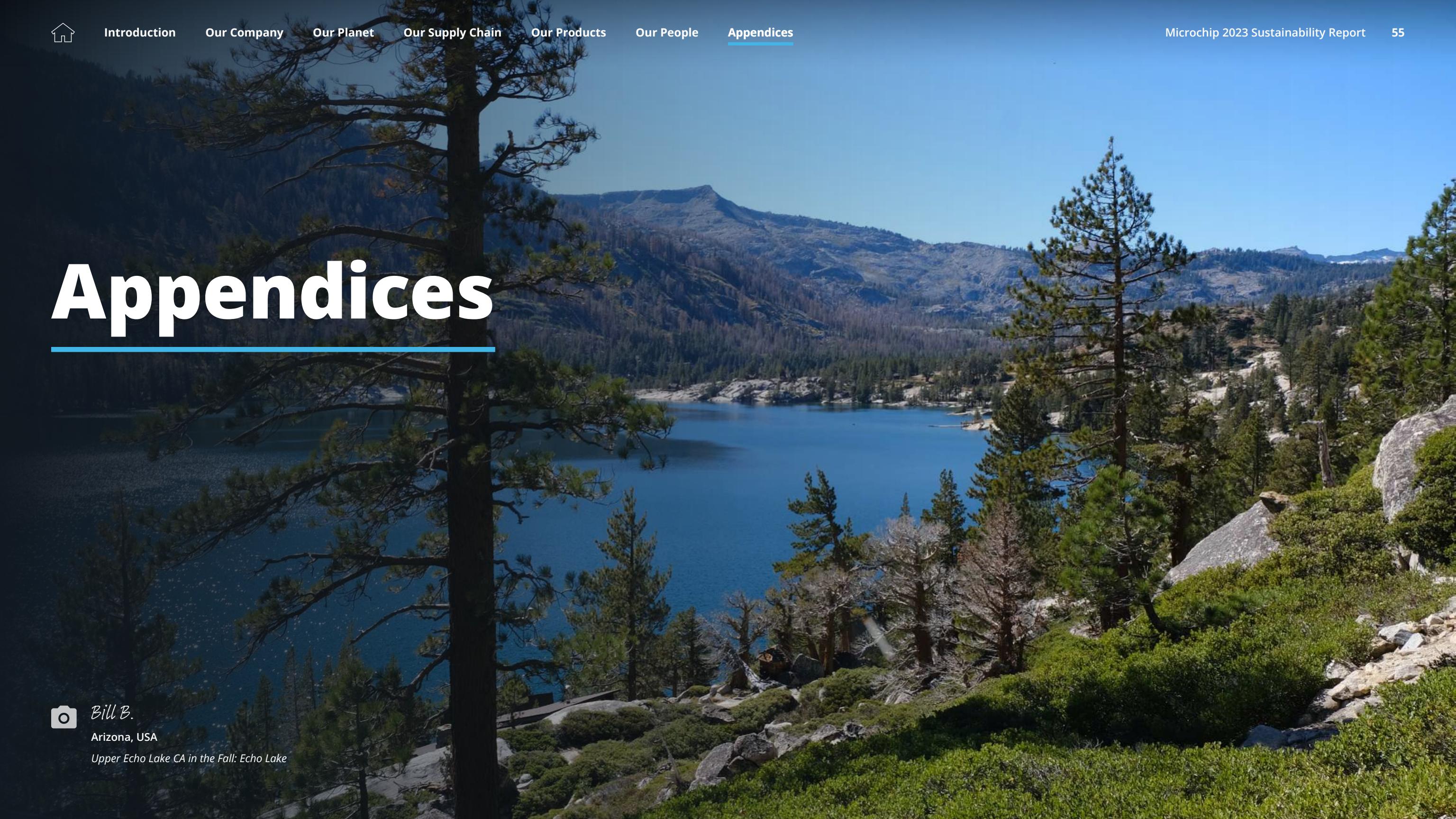
# Appendices



Bill B.

Arizona, USA

Upper Echo Lake CA in the Fall: Echo Lake





# ESG Performance Summary

	2019	2020	2021	2022	2023	2024
<b>Our Company: Financial Information<sup>1</sup></b>						
<b>Net Revenue (dollars in millions)</b>	5,349.50	5,274.20	5,438.40	6,820.90	8,438.10	7,634.40
<b>Net Income (dollars in millions)</b>	355.90	570.60	349.40	1,285.50	2,237.70	1,906.90
<b>Income tax provision (benefit) (dollars in millions)</b>	-151.40	-420.20	-9.90	197.00	672.00	459.00
<b>R&amp;D Spend (dollars in millions)</b>	826.30	877.80	836.40	989.10	1,118.30	1,097.40
<b>Capital Spend (dollars in millions)</b>	228.90	67.60	92.60	370.10	486.20	285.10
<b>Operating Cash Flow (dollars in millions)</b>	1,674.80	1,543.80	1,916.50	2,842.70	3,621.00	2,892.70

	2018	2019	2020	2021	2022	2023
<b>Our Company: Governance</b>						
<b>Number of Directors<sup>2</sup></b>	5	5	7	7	8	7-8
<b>Female Directors (%)</b>	20	20	29	29	25	25
<b>Ethnically Diverse Directors (%)</b>	20	20	43	43	38	38
<b>Independent Directors (%)</b>	80	80	71	71	75	75

<sup>1</sup> Financial data is represented in Fiscal Years. For example, column year 2023 contains financials from Microchip Fiscal Year 2023 (April 1, 2022–March 31, 2023).

<sup>2</sup> From January 3, 2023 through August 22, 2023, the BOD consisted of eight members; from August 23, 2023 through December 31, 2023, the BOD consisted of seven members. These numbers are as of December 31, 2023.

ESG PERFORMANCE SUMMARY *continued*

	2018	2019	2020	2021	2022	2023
<b>Our Planet</b>						
<b>Scope 1 Emissions (MTCE)</b>	529,370	425,973	348,407	407,724	424,370 <sup>3</sup>	445,176
<b>Net % change (relative to baseline year, 2018)</b>	—	-19.50%	-34.20%	-23.00%	-19.83% <sup>3</sup>	15.90%
<b>Scope 2 Emissions (MTCE)</b>						
<b>Net % change (relative to baseline year, 2018)</b>	—	-5.30%	-7.20%	-7.20%	-10.58% <sup>3</sup>	24.37%
<b>Energy Usage (MWh)</b>	1,024,225	968,169	997,729	896,256	967,148 <sup>3</sup>	1,001,826
<b>Net % change (relative to baseline year, 2018)</b>	—	-5.50%	-2.60%	-12.50%	-5.57% <sup>3</sup>	2.20%
<b>Waste Diverted from Landfills (Tons)</b>	1,595.82	1,862.43	1,929.19	2,927.98	4,971.00 <sup>4</sup>	5,352.33
<b>Water Usage (Gal)</b>	1,515,648,307	1,455,758,888	1,310,570,498	1,448,084,330	1,459,754,608 <sup>4</sup>	1,668,208,698
<b>Net % change in water usage (relative to baseline year, 2018)</b>	—	-4.00%	-13.50%	-4.00%	-3.69% <sup>4</sup>	10.03%
<b>Effluent Waste (Gal)</b>	1,053,746,608	1,071,830,470	915,400,637	936,856,407	1,097,766,338 <sup>4</sup>	1,195,560,314
<b>Net % change in effluent waste (relative to baseline year, 2018)</b>	—	1.70%	-13.10%	-11.10%	4.18% <sup>4</sup>	13.45%
<b>ISO14001 Certified High-Volume IC Manufacturing Facilities</b>	4	4	4	4	4	4
<b>Our Supply Chain (IC)</b>						
<b>Total Number of Smelters</b>	248	224	236	236	223	214
<b>Smelters Recognized as RMI RMAP Conformant</b>	248	224	235	230	222	213
<b>Smelters Actively Participating in Sourcing Audits by RMI RMAP, TICMC, LBMA</b>	0	0	1	6	1	1

<sup>3</sup> CY22 data was revised following third-party verification of GHG emissions and associated environmental data as per ISO14064.<sup>4</sup> Restatement of information.

ESG PERFORMANCE SUMMARY *continued*

	2018	2019	2020	2021	2022	2023
<b>Non-conformant Smelters</b>	0	0	0	0	0	0
<b>Our Products</b>						
<b>ISO9001/IATF16949 Certified High-Volume IC Manufacturing Facilities</b>	6	6	6	6	6	6
<b>ISO9001/IATF16949 Certified High-Volume IC Manufacturing Facilities (%)</b>	100	100	100	100	100	100
<b>Our People</b>						
<b>Number of Worldwide Employees</b>	18,740	18,033	19,472	20,566	22,070	22,969
<b>Employees by Location: Asia/Pacific</b>	9,342	8,986	10,419	11,189	11,962	12,385
<b>Employees by Location: Europe</b>	2,374	2,368	2,326	2,430	2,641	2,785
<b>Employees by Location: North America</b>	7,024	6,679	6,727	6,947	7,467	7,799
<b>Female Employees in All Positions (%)</b>	—	—	—	40	40	40
<b>Female Employees in Technical Positions (%)</b>	—	—	—	30	36	35
<b>Female Employees in Leadership Positions (%)</b>	—	—	—	24	24	24
<b>New College Graduates Hired Worldwide</b>	—	—	209	254	629	675
<b>Number of Interns Hired Worldwide</b>	—	—	132	130	325	187
<b>Full-Time Training Professionals</b>	39	85	85	100	127	116
<b>Total Employee Training Hours</b>	—	—	—	—	109,124	106,339
<b>Number of Fatalities</b>	0	0	0	0	0	0



# GHG Verification Statement



## Verification statement

### To the stakeholders of Microchip Inc

EcoAct was engaged by Microchip Inc at 2355 West Chandler Blvd, Chandler, Arizona, USA 85224-6199 to provide independent third-party limited verification of its direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions as detailed in the company's carbon footprint calculation for the period 1<sup>st</sup> of January 2022 to 31<sup>st</sup> of December 2022.

### Objective & responsibilities

The objective of this verification was to confirm whether the GHG statements as reported in Microchip Inc GHG Emissions report for calendar year 2022 were fairly stated and free from material error or omission in accordance with the criteria outlined below.

The management of Microchip Inc are responsible for the organisation's emissions sources and GHG related information as well as the development and maintenance of records and procedures in accordance with its reporting requirements. The EcoAct verification team's responsibility is to express an independent verification opinion on the accuracy of the GHG emissions reported by Microchip Inc and supporting processes and procedures in place to aggregate and analyse data.

### Criteria

- Calculation methodology: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol);
- Reference methodologies:
  - UK Government GHG Conversion Factors for Company Reporting 2022 (BEIS – Department for Business, Energy & Industries Strategy)
  - World Resources Institute (2017), Emission Factors from Cross-Sector Tools March 2017
  - EPA Center for Corporate Climate Leadership, Emission Factors for Greenhouse Inventories
  - EPA eGRID Year 2020 data, January 27, 2022
  - National Inventory Report 1990–2020: Greenhouse Gas Sources and Sinks in Canada
  - IEA (2022), Emission Factors, 2022 UK Government Conversion Factors for Company Reporting.
  - European Residual Mixes, Results of the calculation of Residual Mixes for the calendar year 2021

### Level of Verification and Materiality

A Limited level of verification, aligned with the ISO 14064-3:2019 standard with specification and guidance for the verification and validation of greenhouse gas statements, was conducted.

The organisational boundary of Microchip Inc was established as including its operation sites in 2022 which accounts for 59 sites across 18 global markets. Microchip Inc uses the operational control approach for the consolidation of its emissions totals. The verification team reviewed the source data from Microchip Inc GHG Emissions report, to identify emissions sources material to the carbon footprint.

### Verification Opinion

Based on the data and information provided by Microchip Inc and the processes and procedures followed, nothing has come to EcoAct's attention to indicate that the following GHG emissions totals are not fairly stated and free from material error:

Second Floor, Mid City Place,  
71 High Holborn, London,  
WC1V 6EA

[www.eco-act.com](http://www.eco-act.com)

T - [+44 \(0\) 203 635 0001](tel:+442036350001)

Microchip Inc Carbon Emissions sources	2022 Emissions (tCO <sub>2</sub> e)
Scope 1 Emissions	424,370.03
Scope 2 Emissions (location-based)	294,100.37
<b>Total tCO<sub>2</sub>e scope 1 and 2 (location-based)</b>	<b>718,470.40<sup>1</sup></b>

<sup>1</sup> Microchip Inc amended the data associated with its Scope 1 emissions post-verification to include additional data for a few sites. Revised Scope 1 emissions were 424,440.58 tCO<sub>2</sub>e, increasing the total emissions by 70.55 tCO<sub>2</sub>e (additional data not verified). Scope 2 emissions remained unchanged. Total location-based verified emissions were 718,470.40 tCO<sub>2</sub>e

### Description of activities

In accordance with the Limited Verification requirement, EcoAct selected and verified sufficient and appropriate evidence, data, and calculations to form the basis of our verification opinion. Selected data for verification included: Scope 1 emissions (combustion of fuels and refrigerants) and Scope 2 emissions (electricity).

The verification of Microchip Inc's emissions related information was conducted through the review of selected primary evidence and the testing of its emissions calculations. We have had regular interactions with the key contact person involved in data gathering and reporting to discuss systems, processes and methodologies used to compile the GHG report for 2022.

Amendments to the carbon footprint calculation, to correct minor data discrepancies, were made during the verification process by the Microchip Inc team prior to the finalization of the GHG emissions totals. These discrepancies were not material to the data reported above. The final, verified emissions total was **718,470.40 tCO<sub>2</sub>e**.

Detailed findings and recommendations about Microchip Inc's emissions data have been made to the management of Microchip Inc throughout the verification.

Verified by

Independently reviewed by



Saskia Hassefras  
Managing Consultant  
EcoAct

London, 15 November 2023



Anita Baranyi  
Principal Consultant  
EcoAct

London, 15 November 2023

### Statement of Independence

EcoAct is an independent carbon management company. Our team has extensive experience in the verification of carbon data, information, systems, and processes. The data required for the greenhouse gas calculations described herein were compiled by Microchip Inc. No member of the EcoAct team has a business relationship with Microchip Inc, its Directors, or Managers beyond that required of this assignment. To our knowledge there has been no conflict of interest.



[Download the Statement](#)



# Global Reporting Initiative (GRI) Content Index

## Statement of Use

Microchip Technology Inc. has reported the information cited in this GRI content index for the period January–December 2023 with reference to the GRI Standards. (GRI 1: Foundation 2021)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	2023 Sustainability Report, <a href="#">page 8</a>
	2-2 Entities included in the organization's sustainability reporting	All Microchip sites with at least 10 full-time employees and design engineering capabilities (purely sales offices excluded)
	2-3 Reporting period, frequency and contact point	Annual reporting for January–December 2023 Contact: <a href="mailto:ESG_Assurance@microchip.com">ESG_Assurance@microchip.com</a>
	2-4 Restatements of information	ESG Performance Summary, <a href="#">page 57</a>
	2-5 External assurance	2022 GHG Verification Statement, <a href="#">page 59</a>
	2-6 Activities, value chain and other business relationships	2023 Sustainability Report, <a href="#">pages 9–10</a>
	2-7 Employees	North America: 7,799 (Female: 2,044, Male: 5,722, Non-Binary: 9, Not specified: 24) Asia: 12,385 (Female: 6,293, Male: 6,090, Non-Binary: 1, Not specified: 1) Europe: 2,785 (Female: 774, Male: 2,009, Non-Binary: 1, Not specified: 1) Total: 22,969
	2-9 Governance structure and composition	2023 Proxy, pages 5–7, 10–19
	2-10 Nomination and selection of the highest governance body	2023 Proxy, pages 5, 12–13, 16–19
	2-11 Chair of the highest governance body	2023 Proxy, pages 6, 17
	2-12 Role of the highest governance body in overseeing the management of impacts	2023 Proxy, Executive Chair and CEO letter, and pages 6–11
	2-13 Delegation of responsibility for managing impacts	2023 Proxy, pages 6–11
	2-14 Role of the highest governance body in sustainability reporting	2023 Proxy Executive Chair and CEO letter, and pages 7–10



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
2-15 Conflicts of interest		2023 Proxy, pages 13, 15
2-16 Communication of critical concerns		2023 Proxy Executive Chair and CEO Letter, and page 7 2024 10-K Risk Factors, pages 12–30, Note 11 to Consolidated Financial Statements
2-17 Collective knowledge of the highest governance body		2023 Proxy Corporate Governance Guidelines, and pages 7–10, 12
2-18 Evaluation of the performance of the highest governance body		2023 Proxy Corporate Governance Guidelines, and pages 7–10, 12
2-19 Remuneration policies		2023 Proxy Compensation Discussion and Analysis Highlights, and pages 14–15, 36–45
2-20 Process to determine remuneration		2023 Proxy, pages 14–15, 36–45
2-21 Annual total compensation ratio		2023 Proxy, page 46
2-22 Statement on sustainable development strategy		<a href="#">Microchip Environmental Responsibility Policy</a>
2-23 Policy commitments		2023 Sustainability Report, <a href="#">pages 30–32</a>
2-24 Embedding policy commitments		2023 Proxy, pages 7–10
2-25 Processes to remediate negative impacts		<a href="#">Microchip Corporate Environmental, Health and Safety Policy</a>
2-26 Mechanisms for seeking advice and raising concerns		2023 Proxy, pages 11, 67–68
2-27 Compliance with laws and regulations		Refer to our annual 10-K filings with the SEC for fiscal year 2024 and notes to our consolidated financial statements for information.
2-28 Membership associations		2023 Sustainability Report, <a href="#">page 19</a>
2-29 Approach to stakeholder engagement		2023 Proxy, pages 6, 8–9



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
	2-30 Collective bargaining agreements	The following countries have Collective Bargaining Agreements: Finland: 100%, Austria: 100%, Germany: 65%, Italy: 100%, France: 100%, Spain: 100%
		No employees that are not currently under Collective Bargaining agreements have their working conditions and terms of employment based on other Collective Bargaining Agreements or Collective Bargaining Agreements from other organizations.
		No North America or Asia countries are covered by collective bargaining agreements. Employees that are currently not under any collective bargaining agreements are covered by employment contracts in which their working conditions and terms of employment fully complied with local employment laws.
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	2023 Sustainability Report, <a href="#">page 17</a>
	3-2 List of material topics	2023 Sustainability Report, <a href="#">page 18</a>
	3-3 Management of material topics	2023 Proxy, pages 7-10
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	2024 10-K, Section F-6
	201-2 Financial implications and other risks and opportunities due to climate change	2024 10-K, pages 12, 13, 33-35
	201-3 Defined benefit plan obligations and other retirement plans	2024 10-K (F-6, F-13, Note 12 - F-35 to F-38)
	201-4 Financial assistance received from government	2024 10-K, pages 22-23 (F-7, F-14 to F-15)
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	UK: 100%, Ireland: 117%, Germany: 140%, Philippines: 100%, Thailand: 100% We follow the minimum standard wage regardless of gender
	202-2 Proportion of senior management hired from the local community	9.52% Microchip supports promoting from within for these types of roles
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	2023 Sustainability Report, <a href="#">page 53</a>
	203-2 Significant indirect economic impacts	2023 Sustainability Report, <a href="#">pages 49-52</a>



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	The percentage of the procurement budget for local suppliers is very small (<\$5Mn). Microchip's definition of 'local' is the area within a 50 mile radius of our fab locations: Tempe, Gresham, and Colorado Springs.
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption  205-2 Communication and training about anti-corruption policies and procedures  205-3 Confirmed incidents of corruption and actions taken	2024 10-K, pages 31-32  <a href="#">Microchip's Code of Business Conduct and Ethics</a>  Refer to our annual 10-K filings with the SEC for fiscal year 2024 and notes to our consolidated financial statements for information.
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Refer to our annual 10-K filings with the SEC for fiscal year 2024 and notes to our consolidated financial statements for information.
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax  207-2 Tax governance, control, and risk management  207-3 Stakeholder engagement and management of concerns related to tax  207-4 Country-by-country reporting	2024 10-K, pages 47-48  FY2024 Annual Report on Form 10-K (pages 13-14, 17, 23-24, 31-33, 45, 47-48)  In line with the principle of being a good corporate tax citizen, we conduct legal and proactive tax planning activities on the basis of economic considerations. We also strive to work cooperatively, transparently, and constructively with global tax authorities. In the process we maintain our legal rights and defend our interests wherever we believe such actions are appropriate and legitimate. The company also has a policy to address concerns and complaints as discussed in Proxy Statement form DEF14A p. 9 which discusses how the audit committee addresses concern via their <a href="#">Reporting Legal Non-Compliance Policy</a> .  We don't report country by country, but report on aggregate foreign taxes
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization  302-4 Reduction of energy consumption  302-5 Reductions in energy requirements of products and services	2023 Sustainability Report, <a href="#">pages 24-25</a>  2023 Sustainability Report, <a href="#">page 25</a>  2023 Sustainability Report, <a href="#">pages 35-36</a>



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 303: Water and Effluents 2018</b>	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	2023 Sustainability Report, <a href="#">page 26</a> 2023 Sustainability Report, <a href="#">page 26</a>
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	We are not aware of our manufacturing or assembly operations having a direct negative impact on biodiversity or protected species/environments throughout the U.S. and other global regions in which we operate.
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-5 Reduction of GHG emissions 305-6 Emissions of ozone-depleting substances (ODS)	2023 Sustainability Report, <a href="#">page 22</a> 2023 Sustainability Report, <a href="#">page 22</a> 2023 Sustainability Report, <a href="#">page 22</a> 2023 Sustainability Report, <a href="#">page 22</a> Not applicable
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	2023 Sustainability Report, <a href="#">page 28</a> 2023 Sustainability Report, <a href="#">page 28</a>



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	2023 Sustainability Report, <a href="#">page 31</a>
	308-2 Negative environmental impacts in the supply chain and actions taken	2023 Sustainability Report, <a href="#">page 31</a>
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	In 2023, Microchip hired more than 3,800 employees worldwide from 30 countries which brought our total headcount to over 22,900 and grew our headcount by nearly 4% year over year.  We manage risks associated with undesired turnover and our need for retention and growth of our workforce in various ways. For example, many of our employees share the same skill set. As normal practice employees work in teams with each other and therefore are capable of covering for one another. This includes vacation time as well as potential turnover. We are also part of a strong industry that employs workers who seek the type of work we offer. We are successful at recruiting new headcount and we manage our headcount closely to be sure we account for turnover or leaves where employees are temporarily unable to work. Further, we invest heavily in training and development, and this allows many employees to be ready for the promotional opportunities should turnover occur. Our strong culture is attractive to existing employees and is a key reason why 22% of our worldwide workforce (at year-end 2023) has been with the Microchip family of companies for more than 15 years. Our investment in new college graduates also enables this and works very well to prepare for the future.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 Sustainability Report, <a href="#">page 46</a>
	401-3 Parental leave	Asia: Female: 293, Male: 68 Europe: Female: 68, Male: 52 Canada: Female: 1, Male: 5 United States: Female: 15, Male: 53
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	The minimum notice period varies from two weeks to 26 weeks based on location, age, length of service, and local laws. Countries that have notice period specified in collective bargaining agreements—Finland: No, Austria: No, Germany: No, Italy: Yes, France: Yes, Spain: No, Russia: No

GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system  403-2 Hazard identification, risk assessment, and incident investigation  403-3 Occupational health services  403-4 Worker participation, consultation, and communication on occupational health and safety  403-5 Worker training on occupational health and safety  403-6 Promotion of worker health  403-8 Workers covered by an occupational health and safety management system  403-9 Work-related injuries	<p>Our focus on the health and safety of our employees, shareholders, investors, suppliers, channel partners and communities coupled with our commitment to minimizing the environmental impact of our operations and products is anchored in our recognition of our social and environmental responsibilities. The management systems that we have implemented to support our EHS program are aligned to international standards (see <a href="#">Certificates</a>) and are administered by a team of dedicated professionals providing EHS-aligned resources in the areas of occupational safety, industrial hygiene, product material compliance, construction, fire safety and health services.</p> <p>Microchip makes publicly available our EHS policy and internally manages and routinely updates our health and safety policies and procedures. We train our employees on workplace hazards and identification and have dedicated Emergency Response Teams trained and ready to respond to any environmental health and safety incident. We maintain certifications to internationally recognized ISO 14001 and ISO 45001 standards in many of our manufacturing facilities in the U.S. and internationally.</p> <p>Using our dedicated EHS teams, we drive understanding and improvements using our employee and supervisor incident reporting tools that allow us to identify injuries and near misses, which in turn delivers meaningful review, assessment and mitigation measures to ensure our employees are working in the safest environments we can provide.</p>
<b>GRI 404: Training and Education 2016</b>	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	Instructor led training: 3.09 hours per participant Online training: 0.82 hour per participant  2023 Sustainability Report, <a href="#">page 54</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	2023 Sustainability Report, <a href="#">pages 11, 41-44</a>



## GRI CONTENT INDEX *continued*

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Refer to our annual 10-K filings with the SEC for fiscal year 2024 and notes to our consolidated financial statements for information.
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	2023 Sustainability Report, <a href="#">page 31</a>
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2023 Sustainability Report, <a href="#">page 31</a>
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Our security personnel are third party vendors. Currently Microchip policy training is not extended to on-site vendors. However, our Supplier Code of Conduct requires humane treatment, and prohibits non-discrimination or harassment.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	We are not aware of any such incidents.
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	2023 Sustainability Report, <a href="#">pages 48-53</a>
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria  414-2 Negative social impacts in the supply chain and actions taken	2023 Sustainability Report, <a href="#">page 31</a>
<b>GRI 416: Customer Health and Safety 2016</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We are not aware of any such incidents.
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling  417-2 Incidents of non-compliance concerning product and service information and labeling	Microchip enforces strict regulations for product information and labeling, ensuring the availability of details on component sourcing, material content, and proper disposal. All products bear appropriate global compliance marks, including CE, RoHS, China EFUP, and WEEE. On our Product Material Compliance (PMC) web, you can find corporate statements on compliance with regulations such as EU REACH, SCIP, and California Prop. 65. Additionally, individual product marking and compliance information are accessible via the PMC search tool.  None
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2023 Sustainability Report, <a href="#">page 14</a> 2024 10-K, pages 25-27: Description of the risks associated with attacks on our IT systems and data.



# Sustainability Accounting Standards Board (SASB) Content Index

TOPIC	CODE	DISCLOSURE	RESPONSE
<b>Greenhouse Gas Emissions</b>	TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) amount of total emissions from perfluorinated compounds	(1) 445,176 MTCE (2) 315,275 MTCE
	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	2023 Sustainability Report, <a href="#">pages 22–23</a>
<b>Energy Management in Manufacturing</b>	TC-SC-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	(1) 3,606,574 GJ (2) 77% (3) 16%
<b>Water Management</b>	TC-SC-140a.1	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 6,314,857 m <sup>3</sup> (High/Extremely High Water Stress regions: 49%) (2) 3,188,363 m <sup>3</sup> (High/Extremely High Water Stress regions: 57%)
<b>Waste Management</b>	TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing (2) percentage recycled	(1) 697 MT (2) 75% waste diverted from landfills
<b>Workforce Health and Safety</b>	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	2023 Sustainability Report, <a href="#">page 54</a>
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	None. Consolidated financial statements and related notes: 2024 10-K Pages F-1 to F-39.
<b>Recruiting and Managing a Global and Skilled Workforce</b>	TC-SC-330a.1	Percentage of employees that require a work visa	US employees on sponsorship: 332 Canadian employees on sponsorship: 109
<b>Product Lifecycle Management</b>	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Microchip does not currently collect data concerning the percentage of products by revenue that contain IEC 62474 declarable substances.
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	We do not disclose system level efficiencies for these product categories due to the varying nature of applications and installed Microchip products.
<b>Materials Sourcing</b>	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	2023 Sustainability Report, <a href="#">page 32</a>
<b>Intellectual Property Protection and Competitive Behavior</b>	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	None. Consolidated financial statements and related notes: 2023 10-K pp. F-1 to F-39.



# Task Force on Climate-Related Financial Disclosures (TCFD) Index

As a leading semiconductor manufacturer, Microchip Technology is dedicated to addressing climate-related risks and opportunities. Climate change presents both physical and regulatory challenges to our facilities and operations, similar to those faced by others in our industry. We believe that our proactive approach to transitioning to a low-carbon economy will not only minimize our environmental impact but also generate long-term value for our stakeholders. The following disclosures illustrate how we incorporate the TCFD recommendations into our sustainability strategy and reporting.

TOPIC	RECOMMENDED DISCLOSURES	RESPONSE
<b>Governance</b>	<ul style="list-style-type: none"><li>a. Describe the board's oversight of climate-related risks and opportunities.</li><li>b. Describe management's role in assessing and managing climate-related risks and opportunities.</li></ul>	<p>Our leadership acknowledges the vital importance of governance in advancing meaningful sustainability initiatives. To this end, we have developed a comprehensive organizational structure to oversee and integrate our sustainability strategy within our business operations. The NGSC is responsible for overseeing our policies and practices related to key environmental, social, governance, and other public policy issues. Additionally, we have established an ESG Steering Committee, which is comprised of senior executives from various disciplines, ensuring that our sustainability efforts are aligned with our business objectives. Beyond our governance framework, we have instituted policies and procedures that guide our business conduct and reaffirm our commitment to environmental responsibility.</p> <p>Reference documents:</p> <ul style="list-style-type: none"><li>• 2023 Sustainability Report, <a href="#">pages 11, 16–18</a></li><li>• 2023 Proxy, <a href="#">pages 6–11</a></li><li>• 2023 CDP Climate Change Survey: C1. Governance</li></ul>
<b>Strategy</b>	<ul style="list-style-type: none"><li>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</li><li>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</li><li>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li></ul>	<p>In 2023, we conducted climate and water risk analyses to evaluate the physical and transitional risks to our business across short-, mid-, and long-term horizons. We utilized the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6, IPCC RCP 8.5, International Energy Agency (IEA) Net Zero Emissions (NZE), and IEA State Policies Scenario (SPS) climate models. Our analysis focused on the short term (2025), medium term (2030), and long term (2050).</p> <p>The objective of these studies was to estimate the potential financial impacts of climate change on our company and our business partners, while also identifying growth opportunities. We assessed physical risks such as extreme weather events, including flooding, water stress, and heatwaves. Transitional risks involved emerging regulations, enhanced reporting requirements, renewable energy procurement, and the demand for low-carbon products and services.</p> <p>The opportunities we identified included market diversification driven by the transition to EVs and clean energy, an efficient supply chain through increased due diligence, improved operational efficiency, and greater resilience against extreme weather events. For a detailed description of the identified risks and opportunities, please refer to our annual reports.</p> <p>Reference documents:</p> <ul style="list-style-type: none"><li>• 2023 Sustainability Report, <a href="#">pages 23, 27, 31</a></li><li>• 2024 10-K Risk Factors, <a href="#">pages 12–30</a></li><li>• 2023 CDP Climate Change Survey: C2. Risks and Opportunities and C3. Business Strategy</li></ul>

TCFD INDEX *continued*

TOPIC	RECOMMENDED DISCLOSURES	RESPONSE
Risk Management	<ul style="list-style-type: none"><li>a. Describe the organization's processes for identifying and assessing climate-related risks.</li><li>b. Describe the organization's processes for managing climate-related risks.</li><li>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</li></ul>	<p>We acknowledge the climate-related risks impacting our business operations and supply chain. To address these, we have implemented a comprehensive risk management strategy, as detailed in our proxy statement and 10-K filings. This strategy enables us to identify, assess, and mitigate such risks effectively. Key components include:</p> <ul style="list-style-type: none"><li>• Identification of physical and transition risks</li><li>• Assessment of likelihood and potential impact</li><li>• Prioritization of resources</li><li>• Mitigation through preparedness and diversification</li><li>• Reporting on our progress to stakeholders</li></ul> <p>This approach ensures we stay responsive to evolving risk landscapes and communicate our efforts transparently. Our annual reports highlight investments in energy efficiency, water conservation, and waste reduction projects, all contributing to a climate-resilient value chain. This approach is integrated into our broader enterprise risk management framework, ensuring climate-related risks are considered alongside other significant business risks.</p> <p>Reference documents:</p> <ul style="list-style-type: none"><li>• 2023 Sustainability Report, <a href="#">pages 17, 31, 33</a></li><li>• 2024 10-K Risk Factors, pages 12-30</li><li>• 2023 CDP Climate Change Survey: C2. Risks and Opportunities</li></ul>
Metrics and Targets	<ul style="list-style-type: none"><li>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</li><li>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</li><li>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</li></ul>	<p>We have established a comprehensive set of metrics and targets to monitor our progress toward our sustainability goals. Our climate-related targets and historical performance in areas such as greenhouse gas emissions, energy efficiency, water and wastewater conservation and management, and circular economy initiatives are detailed in this annual sustainability report. Additionally, we engage regularly with customers, investors, employees, and other stakeholders to incorporate their expectations into our reporting disclosures.</p> <p>Reference documents:</p> <ul style="list-style-type: none"><li>• 2023 Sustainability Report, <a href="#">pages 21-28, 56-58</a></li><li>• 2023 CDP Climate Change Survey: C4. Targets and Performance, C5. Emissions Methodology and C6. Emissions Data</li></ul>

**Microchip Technology Inc.**

2355 West Chandler Blvd.

Chandler, Arizona, USA

[microchip.com](http://microchip.com)**Front cover photo**

Josh D. (Colorado, USA)

*Irish sea cliffs: Rugged beauty***Back cover photo**

Vishwas Kamalakar V. (California, USA)

*Horseshoe Bend: A natural masterpiece*