2018

SUSTAINABILITY

R E P O R T

Microchip

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DISCLAIMER

When evaluating Microchip Technology Incorporated and its business, you should consider the factors listed in our Form 10-K, other documents that we file with the U.S. Securities and Exchange Commission, and publications we make publicly available. 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 responses. We disclaim any obligation to update information contained in this report.

ABOUT THIS REPORT

This is Microchip Technology Incorporated's annual sustainability report covering our performance during calendar year 2018. We have engaged Strategic Sustainability Consulting (SSC), an independent party, to support our sustainability reporting efforts. We believe that this report contains information that is accurate, timely, and balanced. In preparing the material for this report, we have completed an internal assessment process in conjunction with SSC to review the contents for clarity.

We welcome your feedback to our Sustainability Report Team at Legal.Department@Microchip.com.

ENVIRONMENTAL SUGGESTION

Because of this report's length and colors, Microchip Technology Incorporated recommends printing in black and white, double-sided, on a high-efficiency network printer, and using high post-consumer fiber white paper or white paper produced from rapidly renewable resources.

THE CEO

At Microchip Technology Incorporated (Microchip), our vision to be the leading supplier of embedded control solutions includes a corporate commitment to acting in an ethical and responsible way. Our focus on environmental and social responsibility, transparency, and engagement guides our decision-making processes and helps keep us accountable as we continuously improve all aspects of our business.

I'm proud to introduce Microchip's 2018 Sustainability Report, marking the sixth consecutive year we've shared our environmental, workplace, and community activities and performance.

Embedding Sustainability

Our commitment to sustainability is steadfast, and it guides our approach to policy, operations, risk management, capital investment and transparency. In short, we are working to integrate sustainability into every aspect of our business, so that we are prepared to succeed in a rapidly-changing world with evolving stakeholder expectations.

Sustainability is a thread that runs throughout our product design and innovation process. When our semiconductor systems allow designers to create more energy-efficient automotive products: that is sustainability. When our control systems make medical products safer to operate: that is also sustainability. When a single Microchip product can replace less efficient electromechanical control devices and reduce the total number of components in a home appliance: that is sustainability too.

Microchip products are found in thousands of products in every area of people's lives, from remote control devices to touch screens, security systems to consumer electronics. When our products are designed with sustainability in mind, the entire world benefits.

Changes Underway

In May 2018, we completed the acquisition of Microsemi Corporation, further expanding our operations and workforce. With more than 18,500 employees and facilities in North America, Europe and Asia, we are truly a global company with worldwide responsibilities. Integrating Microsemi into the Microchip family has been a major focus of our work in 2018 and 2019. As such, we have incorporated selected Microsemi sustainability performance data into this report, and next year we will report on the consolidated company as a whole.

With acquisition comes more facilities and more manufacturing, which means that our absolute energy use has increased. At the same time, we are reaping the benefits of energy efficiency projects, including an estimated 2,458 tons of carbon emissions avoided and over three million kilowatt hours of energy saved in 2018. Water use and effluent waste, always significant issues for semiconductor manufacturing, have also declined over the last three years. One reason: Microchip Philippines is now using reprocessed effluent

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WE ARE REAPING THE BENEFITS OF ENERGY, EFFLUENT WASTE, AND WATER USE REDUCTION INVESTMENTS INCLUDING AVOIDING MORE THAN 2,400 TONS OF CARBON EMISSIONS IN 2018

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water in its cooling towers, saving over 443,000 gallons of water a year. These kinds of strategic investments are good for the environment and good for Microchip's bottom line.

A Legacy of Impact

We continue to participate in the UN Global Compact, a voluntary initiative based on CEO commitments of member companies to "align strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, and take actions that advance societal goals." As part of our membership in the UN Global Compact, we publish this annual sustainability report that communicates our progress against those principles. Readers can see a full index of the 10 UN Global Compact Principles on page 43.

Looking ahead, it is clear that sustainability will continue to be a driving force at Microchip, one that pushes us to continuously improve our operations, our products and the way we work together across countries and continents. I look forward to sharing that journey with our stakeholders.

Steve Sanghi

STEVE SANGHI
Chairman of the Board and
Chief Executive Officer

MICROCHIP

Microchip Technology Incorporated is a leading provider of semiconductor products that provide low-risk product development, lower total system cost, and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality.

Microchip's vision is to be the very best embedded controller solutions company ever. To do so, we must identify market opportunities, develop and manufacture products in a timely and cost-effective manner, and market appropriately. We actively strive to be the best while operating in an ethical and sustainable manner to protect economic stability and reputation for our company, customers, shareholders, employees, and communities.

MICROCHIP TECHNOLOGY INCORPORATED AT A GLANCE	
Countries where we own and use facilities	China, France, Germany, India, Ireland, Philippines, Taiwan, Thailand, United States
Employees	18,500+
Product Categories	Our product portfolio comprises general purpose and specialized 8-bit, 16-bit, and 32-bit microcontrollers, 32-bit microprocessors, field-programmable gate array (FPGA) products, a broad spectrum of high-performance linear, mixed-signal, power management, thermal management, discrete diodes and Metal Oxide Semiconductor Field Effect Transistors (MOSFETS), radio frequency (RF), timing, timing systems, safety, security, wired connectivity and wireless connectivity devices, as well as Serial Electrically Erasable Programmable Read Only Memory (EEPROM), Serial Flash memories, Parallel Flash memories, Serial Electrically Erasable Random Access Memory (EERAM) and Serial Static Random Access Memory (SRAM). We also license Flash-IP solutions that are incorporated in a broad range of products. Our synergistic product portfolio targets thousands of applications worldwide and a growing demand for high-performance designs in the automotive, aerospace, defense, space, communications, computing, consumer and industrial control markets.
Governance	Microchip Technology Incorporated is led by a skilled, diverse, and experienced five-member Board of Directors. The Board is appointed by the company's Nominating and Governance Committee and team of Executive Officers. For more information about Microchip, Board of Directors, executive structure, and investor information visit our website www.microchip.com.

LEADERSHIP AND GOVERNANCE

BOARD OF DIRECTORS

Microchip is led by a five-member board of directors who provide governance and oversight to the company.

STEVE SANGHI
Chairman of the Board and
Chief Executive Officer

MATTHEW W. CHAPMAN
Board Member

ESTHER L. JOHNSON
Board Member

L.B. DAY
Board Member

WADE F. MEYERCORD
Board Member

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

CORPORATE OFFICERS

All of Microchip's corporate officers bring excellent leadership to the table.

STEVE SANGHI
Chief Executive Officer and
Chairman of the Board

J. ERIC BJORNHOLT
Senior Vice President,
Chief Financial Officer

GANESH MOORTHY
President and
Chief Operating Officer

MITCHELL R. LITTLE
Senior Vice President,
Worldwide Client
Engagement

STEPHEN V. DREHOBL
Senior Vice President, MCU8
and MCU16 Business Units

RICHARD J. SIMONCIC
Senior Vice President,
Analog Power and Interface
Business Units

MEMBERSHIPS, ASSOCIATIONS, AND CERTIFICATIONS

CDP PARTICIPANT

Microchip Technology Incorporated discloses its energy usage and greenhouse gas (GHG) emissions annually via the CDP's, formerly the Carbon Disclosure Project, Climate Change Survey. We disclose our GHG emissions reduction and our energy conservation initiatives in the same document.

RESPONSIBLE MINERALS INITIATIVE (RMI) MEMBER

RMI helps companies make informed choices about conflict minerals in their supply chain.

SAMSUNG ECO-PARTNER AFFILIATE COMPANY

Recognition by Samsung that Microchip meets its standards with respect for control of substances with environmental impacts within products and established stable environmental quality control system.

SONY GREEN PARTNER CERTIFICATION

Awarded under Marubeni Information Systems Co. Ltd.

UNITED NATIONS (UN) GLOBAL COMPACT MEMBER

Microchip Technology Incorporated is a member of the UN Global Compact at the Participant Tier. The UN Global Compact works with businesses to help create a more sustainable world.

OHSAS 18001 CERTIFICATE (THAILAND)

ISO14001 CERTIFICATE (THAILAND)

ISO14001 CERTIFICATE (PHILIPPINES)

HELPFUL LINKS

Information for investors, including financial performance, can be found at
https://www.microchip.com/investors

Microchip's Corporate Government Policy for Election of Directors can be found at
http://www.microchip.com/missionstatement

Board member and executive officer information can be found at
https://www.microchip.com/about-us/leadership

STAKEHOLDER ENGAGEMENT

Stakeholder engagement at Microchip Technology Incorporated is an ongoing and evolving dialogue. As expectations for high-tech companies change, we take our stakeholders inputs into consideration as we review our business practices.

Microchip operates with an overriding Vision, Mission, and 11 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 whether as a customer, supplier, employee, investor, or a concerned member of our local community. See page 11 for our vision, mission, and guiding values.

Identification of primary stakeholders and the stakeholder engagement process tend to be decentralized based on functional group sensitivities and priorities. Microchip has chosen to focus on stakeholder groups with high interest, high impact to our business.

OUR APPROACH

WHO	HOW	KEY TOPICS AND CONCERNS
Investors	Earnings calls, investor conferences, annual shareholder meeting	Business performance, risk and opportunities
Board of Directors	Top quality management review, sustainability report	Business performance, risk and opportunities
Employees	Surveys, quarterly communications meetings, townhalls, reviews, open door policy, whistle blower policy	Safety, training, compensation, benefits, job stability, sustainability, advancement
Customers	Trade shows, direct meetings, website, sustainability reporting, RMI, UNGC, CDP	Social responsibility, product innovation, design, pricing and performance, responsive service
Local Communities	Environmental stewardship, direct community support projects and volunteerism	Safety, emissions, effluent, community awareness and support
Government	Regulatory filings, OSHA, CDP, EPA reporting, RMI, forced labor and trafficking	Environment, emissions, effluent, forced labor and trafficking, Conflict Minerals
Suppliers and Subcontractors	Site visits, quarterly reviews, processes, procedures, contracts	Consistency, stability, fair pricing

ETHICS AND INTEGRITY

Our commitment to conducting our business operations with integrity and in an ethical manner is an integral component of our Guiding Values. It is our goal—from every employee to our Board of Directors—to treat our customers and partners with respect and deal with them ethically and responsibly during every interaction.

VISION

Be the very best embedded control solutions company ever.

MISSION STATEMENT

Microchip Technology Incorporated is a leading supplier of embedded control solutions by delivering a broad spectrum of innovative standard and specialized microcontrollers, FPGA products, analog, mixed-signal and security products, wired and wireless 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, high quality products and services, 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 is never compromised
- Profits and growth provide for everything we do
- Communication is vital
- Suppliers, representatives, and distributors are our partners
- Professional ethics are practiced

Each value has its place in making Microchip a company you can be proud to choose, whether as a supplier, an employee, an investor, or a contributing business partner in your community. Microchip's Vision, Mission, and the expansion of our Guiding Values can be viewed at: http://www.microchip.com/documentlisting/mission-statement.

COMPLIANCE WITH LAWS

Microchip Technology Incorporated is a global company, whose operations are subject to numerous laws and regulations. In this regard, Microchip requires its employees, directors, and officers to comply with all laws applicable to our business operations. We also require our personnel to abide by a code of business conduct and ethics, which defines Microchip's vision of ethical behavior and embodies compliance with the law. Microchip's Code of Business Conduct and Ethics and associated policies that include Compliance with Laws, Confidentiality, Conflicts of Interest, Insider Trading, and Reporting Legal Non-Compliance are located at www.microchip.com/missionstatement.

At Microchip, we are exceptionally committed to ensuring that our facilities comply with all local and national laws and regulations as they relate to the health and safety of our employees. Additionally, we have policies prohibiting the use of forced or compulsory labor, child labor, and discrimination. Throughout 2018 we continued to work with our partners to ensure a supply chain that was staffed with an ethically-sourced workforce.

Compliance with international laws is a key aspect of conducting the business of Microchip in an ethical manner. Our Code of Business Conduct and Ethics outlines and defines Microchip's requirement that our staff, suppliers, and customers comply with international 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. Global anti-corruption laws make it a crime for companies to bribe or provide anything of value to government officials and other individuals in order to obtain new business, maintain existing business, or receive other benefits.

It is unacceptable for any Microchip executive, director, or employee to act in any manner that is contrary to these laws. Further, we consider our suppliers, representatives, and distributors as critical to achieving our mission. Therefore, we expect our partners to similarly abide by our ethical guiding values, including compliance with global anti-corruption 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 by any person to Microchip.

We take our obligation to follow all relevant laws and regulations seriously. In the chart on the next page, we have outlined our compliance record on sustainability-related topics.

LEGAL CLAIMS AGAINST MICROCHIP

Microchip Technology Incorporated's policies require that we follow all applicable laws and regulations. In the chart below, we have outlined our compliance record on sustainability-related topics.

TOPIC	2016	2017	2018
Environment	0	0	0
Health & Safety	0	0	0
Corporate Governance	0	0	3*
Product Stewardship	2*	0	0

* Refer to our annual 10-k filings with the Security and Exchange Commission (SEC) and Note 13 to our consolidated financial statements for information regarding legal proceedings.

DUAL-MODE POWER MONITORING WITH ACCURACY AND SIMPLICITY

Power monitoring has become more prevalent as developers look to monitor product performance and improve energy usage. Applications including solar inverters, smart lighting, and cloud servers often use dual modes to maintain safe operation. In systems using both AC and DC power, the implementation of dual-mode power monitoring traditionally requires multiple controllers to ensure top performance and accuracy.

Microchip offers the MCP39F511A, a flexible dual-mode power monitoring controller (IC) to provide a simplified development path, fewer controllers required and accurate power monitoring. The MCP39F511A automatically senses power supply types and switches between AC and DC modes, optimizing measurement, simplifying calibration procedures, and logging critical events to aid in troubleshooting.

Suitable for a range of products including consumer-focused Internet of Things (IoT) devices and industrial applications.

The MCP39F511A power monitoring controller is an integrated device that addresses the growing need for more accurate power measurements in high-performance designs while reducing materials cost and firmware development time and enabling developers to better manage power consumption.

MICROCHIP

MATERIALITY

Microchip Technology Incorporated is built on a long history of meeting our social and environmental responsibilities. But when it comes to producing a sustainability report, it would be impractical to include all relevant topics. So we undertake a materiality assessment to help identify those issues which we believe are the most important to our stakeholders.

2018 MATERIAL TOPICS

The following topics emerged as our most important sustainability issues, both to our stakeholders and for Microchip's business success.

- **Employee Recruitment and Retention** – our ability to attract and keep the best employees in a highly competitive and dynamic industry
- **Ethics and Integrity** – good governance practices and our compliance with laws and regulations in a heavily regulated global marketplace
- **Energy and Climate Impacts** – our ability to effectively control energy use and costs, as well as manage associated greenhouse gas emissions
- **Integration of Microsemi into Microchip** - the acquisition of Microsemi by Microchip creates a new, larger company with increased responsibility to the communities in which we live, operate, and conduct business
- **Occupational Health and Safety** – keeping our employees and contractors safe on the job and managing long-term health and wellness impacts
- **Product Impacts** – how we design and manufacture our products to minimize environmental impact and comply with environmental, health and safety, and conflict mineral regulations
- **Supply Chain Management** – assessing vendors for environmental, social, and governance issues and taking appropriate steps to mitigate risk
- **Water and Waste Impacts** – our efforts to responsibly manage waste and water impacts throughout the manufacturing process

STEPS IN A MATERIALITY ASSESSMENT

STEP 1: Choose a process
We used the Global Reporting Initiatives (GRI) Guidelines to guide our approach. We also used the Sustainability Accounting Standards Board (SASB) industry guidance on materiality for the semiconductor industry.

STEP 2: Understand your stakeholders
We looked at the sustainability issues that come up most frequently—with customers, with government officials, with lawmakers, and with suppliers.

STEP 3: Compare to business interests
We also examined sustainability issues that are most prevalent within Microchip, across a variety of departments and job functions.

STEP 4: Prioritize your list
We prioritized the master list of sustainability issues, based on their importance to stakeholders and their importance internally to Microchip.

STEP 5: Review and communicate results
We reviewed the prioritized list and agreed on the most material topics. The results listed above inform the boundaries and focus of our reporting efforts.

STEP 6: Refresh
Every year, Microchip works with sustainability experts to review material issues and identify any changes to the industry landscape that might impact our priorities or scope of reporting.

ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL
RESPONSIBILITY

Microchip Technology Incorporated is committed to protecting the environment, as well as minimizing the environmental impact of our operations and products within the global communities in which we operate. We are committed to complying with accepted environmental practices and regulatory compliance which meets or exceeds requirements and to strive for continual improvement.

MICROCHIP'S CORPORATE ENVIRONMENT, HEALTH, AND SAFETY (EHS) POLICY INCLUDES THE FOLLOWING COMPONENTS:

Microchip management is committed to the development, implementation and continual improvement of the environmental, health and safety programs.

Microchip places concern for the health and safety of our employees and communities in which we work at the forefront of our policies and decisions.

Microchip will identify, evaluate and implement opportunities for pollution prevention

Microchip will comply with applicable environmental, health and safety laws and regulations

Microchip will integrate environmental, health and safety considerations into our business using the innovation, creativity and ingenuity of our employees.

EMISSIONS AND CLIMATE CHANGE

As our company has grown and we have added production capability and new facilities, our Scope 1 and Scope 2 carbon emissions and energy consumption have increased. Nevertheless, we continue our commitment to manage emissions and energy consumption through cost-effective strategies.

In addition to our mandated Scope 1 carbon emissions reported to the U.S. EPA for our U.S. semiconductor manufacturing sites, we voluntarily report carbon emissions and energy consumption for all Microchip manufacturing sites, logistics/distribution facilities and larger product design centers worldwide through this report and the CDP Climate Change Survey.

This commitment to measure and report helps us to identify emissions and energy reduction opportunities and be more transparent in communicating our environmental performance to stakeholders. Microchip's surveys are available on the CDP's website, www.cdp.net.

SCOPE 1 EMISSIONS (METRIC TONS CO2E)

REGION	2016	2017	2018
Asia/Pacific	2,247	913	655
Europe	5,446	9,105	9,107
North America	443,447	478,025	519,608
Total	451,140	488,043	529,370

SCOPE 2 EMISSIONS (METRIC TONS CO2E)

REGION	2016	2017	2018
Asia/Pacific	97,149	101,408	118,684
Europe	2,057	1,873	6,757
North America	239,670	178,594	203,474
Total	338,876	281,875	328,915

ENERGY USE

Microchip Technology Incorporated's energy use has trended upward as the result of acquisitions over the past few years. Even though our total footprint, number of facilities, and headcount have increased, with each acquisition we have looked to make improvements to reduce impact. Overall, we have worked to reduce the amount of electricity, natural gas, and distillate fuel oil used in our operations through energy-improvement projects.

We implemented numerous projects in 2018 that helped to reduce our total energy use from previous years, even though our overall operations were larger than ever.

Microchip continues to strive for efficiency and the resulting energy savings. As such, we actively migrate the production of products to our most efficient manufacturing centers wherever possible.

ENERGY USAGE (MWh)

ENERGY TYPE	2016	2017	2018
Distillate Fuel Oil	1,790	2,510	3,124
Electricity	629,788	596,204	743,796
Liquefied Petroleum Gas	1,774	1,463	1,491
Natural Gas	221,559	237,800	275,814
Total	854,911	837,977	1,024,225

Fuel quantities shown are reported in alignment with the US EPA GHG Reporting Rule calculation methodology. Additional diesel fuel used for "exempt" applications, such as weekly readiness testing, is excluded.

RECENT ENERGY IMPROVEMENTS

All sites
Total Estimated Annual CO2e Savings (metric tons)   2,458
Total Estimated Annual Savings (kWh)   9,132,618
Total CY2018 kWh Savings   3,050,429

Microchip Philippines
- Continued conversion of T8-32W flouresecent lamps to 16W LED
- Installation of occupancy sensors for lighting in mechanical, electrical rooms

Microchip Thailand
- Installing High efficiency motors and compressors
- Cooling loop improvements
- Converting CDA to vacuum on certain equipment

A SIMPLER, SMARTER LOWER-ENERGY MODEM

Adoption of smart-grid infrastructure is on the rise globally. Differing end-user requirements, regulations, markets and operational requirements creates complex equipment and performance needs for utilities and manufacturers.

Addressing existing and emerging industry-standard Power Line Communication (PLC) protocols, Microchip has developed the PL360B flexible PLC modem, a smart-energy product that offers flexibility for manufacturers.

With this one modem, manufacturers can address different end-customer regulations, markets and operational requirements, while ensuring maximum efficiency in power consumption in varying applications. The PL360B modem performs with up to 25 percent improvement in power consumption over previous generations and includes an amplification scheme that optimizes the modem transmission efficiency further.

WASTE DIVERSION AND RECYCLING

Microchip Technology Incorporated makes sure that every site has the option to recycle. Because of the different recycling options available, we are diverting over 3 million pounds of waste from our communities' landfills, wastewater treatment sites, and atmosphere.

RECYCLED MATERIALS (LBS)*

	2016	2017	2018
Electronic and Universal Waste	87,249	170,805	110,749
Equivalent Reuse Post Consumer Fiber	84,514	117,675	106,349
Metals	157,630	195,841	303,806
Paper and Cardboard	1,095,917	1,403,762	1,334,185
Plastics	1,086,782	1,608,508	417,123
Rapidly Renewable Resource	939	939	476
Site Specific Recycle	755,432	1,127,284	918,961
Total	3,268,464)	4,624,814	3,191,649

*Recycled Materials data includes the Chandler, Tempe, Gresham, MPHIL, MThai/MMT, and Colorado Springs facilities.

5S METHOD REDUCES WASTE AT MICROCHIP FACILITIES IN THAILAND

The 5S Method is a waste-reduction approach used to identify and reduce waste in the workplace. Microchip Technology Incorporated's facilities in Thailand have implemented 5S and consistently see a reduction in waste year-on-year. 5S stands for the five Japanese words used in the method: Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seiketsu (Standardize), and Shitsuke (Sustain). Employees sort, removing items that are no longer needed; set in order, organizing their workstations to optimize efficiency and flow; shine, cleaning their areas in order to more easily identify issues; standardize, implement color coding and labels to stay consistent with other areas; and sustain, developing behaviors that keep the workplace organized over the long term.

WATER USE

As a fundamental requirement for semiconductor manufacturing, water usage has been on the rise at various Microchip facilities, corresponding with our increased production. Microchip has taken notice and we seek to apply innovative measures to reduce our water use. We are committed to continuing to find ways to curb our total water usage and to decrease our effluent wastewater.

PRODUCTION FACILITIES' WATER USE (Gallons)

FACILITY	2016	2017	2018
Chandler	26,438,000	25,489,000	28,322,000
Colorado Springs	369,679,188	409,264,213	384,361,019
Gresham	307,937,851	310,005,634	345,577,757
MMT	77,508,079	80,075,160	119,920,415
MTHAI	184,532,947	211,028,400	221,275,140
San Jose*	103,546,388	n/a	n/a
Tempe	313,505,200	338,052,800	322,260,100
MPHIL	80,069,741	84,016,735	88,262,771
Total	1,463,127,394	1,457,931,942	1,169,691,054

PRODUCTION FACILITIES' EFFLUENT WASTE (Gallons)

FACILITY	2016	2017	2018
Chandler	4,253,839	4,501,633	5,233,762
Colorado Springs	302,546,660	353,877,588	307,605,374
Gresham	283,816,705	270,505,321	286,093,158
MMT	34,046,493	40,856,640	51,659,910
MTHAI	73,474,172	65,524,800	96,657,475
San Jose*	57,545,384	n/a	n/a
Tempe	227,621,870	184,831,509	254,521,133
Total	983,305,123	920,097,491	863,859,776

* This facility is no longer a Microchip fabrication facility.

Microchip Philippines is now reusing reprocessed effluent water for cooling tower make-up with a 2018 realized savings of 433k gallons of water.

ENVIRONMENTAL AWARDS

US ENVIRONMENTAL AWARDS

A point of pride for Microchip, the Gresham Site Services Reverse Osmosis and De-Ionization (RODI) Team has received the Platinum Award from the City of Gresham for 15 consecutive years of operating an acid waste neutralization (AWN) system with 100 percent Pretreatment Compliance. The facility has received zero AWN compliance violations during the past 15 years.

THAILAND ENVIRONMENTAL AWARDS

CSR-DIW CONTINUOUS AWARD
CORPORATE SOCIAL RESPONSIBILITY
2016, 2017, 2018
Department of Industrial Works

3Rs AWARD
2016, 2017, 2018
Department of Industrial Works

ZERO WASTE TO LANDFILL
2016, 2017, 2018
Ministry of Industry

LONG-RANGE WIRELESS CONNECTIVITY HELPS RANCHERS TRACK LIVESTOCK

LoRa® (Long Range) technology is extending the reach of the Internet of Things (IoT) by combining long-range wireless connectivity with low-power performance and using creating flexible IoT networks that can operate in both urban and rural environments.

To accelerate the development of LoRa-based connected solutions, Microchip introduced the SAM R34/35 devices, an integrated, ultra-low-power microcontroller.

LoRa integrated livestock tags can help farmers and ranchers locate animals on extended rural rangelands, protecting the animals and the business.

Most LoRa end devices remain in sleep mode for extended periods of time, only waking up occasionally to transmit small data packets, like an animal's location. Microchip's SAM R34 devices provide the industry's lowest power consumption in sleep modes, to significantly reduce power consumption and extend battery life in remote IoT devices.

For property owners, LoRa integrated smoke detectors can notify people of potential fire and emergencies over long-range communication systems.

In addition to ultra-low-power consumption, the simplified development process helps developers accelerate their designs and quickly prototype with confidence that their designs will meet government requirements across geographies.

As a founding member of the LoRa Alliance, Microchip has been a strong driving force to build the success of this technology.

MICROCHIP

INITIATIVES

Microchip Technology Incorporated is a U.S. company with operations around the world, and it is our goal to provide strong benefits, wellness programs, safe workplaces, and equal opportunity no matter where our employees are based.

EMPLOYMENT

EMPLOYEES BY LOCATION

	2016	2017	2018*
Asia/Pacific	6,764	7,631	9,342
Europe	1,497	1,495	2,374
North America	4,394	4,716	7,024
Total	12,655	13,842	18,740

* 2018 numbers include both Microchip and Microsemi employees

OPEN DOOR POLICY

An important tool in our commitment to ethical business practices is our Open Door Policy. This policy allows Microchip Technology Incorporated employees to raise any work- related issues—such as job, wages, performance reviews, and other—to the level they think is the most appropriate for quick and fair resolution. This policy applies to employees at all levels. We believe communication is vital, and we encourage open, honest, constructive, and ongoing dialogue to resolve issues whenever possible.

DIVERSITY AND OPPORTUNITY

Microchip provides equal employment opportunities to all applicants and employees around the world. We respect and value the diverse experiences, backgrounds, and perspectives of our employees and are committed to providing all employees with continuous opportunities for growth and professional development. Microchip's culture is centered on employee involvement, teamwork, collaboration, and empowerment. We believe all these components drive employee engagement which inspires creativity and innovation and has strengthened all aspects of our business.

HUMAN RIGHTS

Microchip is headquartered in the United States with global operations. These operations include primary manufacturing located in the United States, test operations in the Philippines, assembly and test operations in Thailand, and engineering design centers and sales offices located around the world. Microchip complies with all legal requirements related to labor, including prohibitions on forced or compulsory labor, child labor, and discrimination. Additionally, with very few exceptions for internship-type programs in the United States which are allowed by law, Microchip requires all employees to be 18 years of age or older.

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 workers and their families, including robust benefits plans and career development opportunities.

BENEFITS

We want to make sure we give back to our employees in many ways, and one such way is by providing extensive benefits, such as:

- Health and wellness benefits
- Family and medical leave of absence
- Short- and long-term disability
- Long-term care insurance
- Life insurance
- Company-paid holidays
- Paid vacation and sick leave
- Restricted Stock Units (RSU) and Employee Stock Purchase Plan (ESPP)
- 401(k) retirement savings plan with company match
- Employee Cash Bonus Plan (ECBP)
- Tuition reimbursement
- Internal training and mentorship program

TRAINING AND EDUCATION

Microchip's Global Organizational Learning & Development team perpetuates Microchip's strategic and competitive culture in alignment with the Guiding Values. In order to support our employees' continuous improvement, we design, deliver, and coordinate programs using a variety of systems, methods, and tools to meet performance development needs. We believe continuous education and training are critical to maintaining Microchip's competitive edge. Microchip's business model focuses on developing leaders from within.
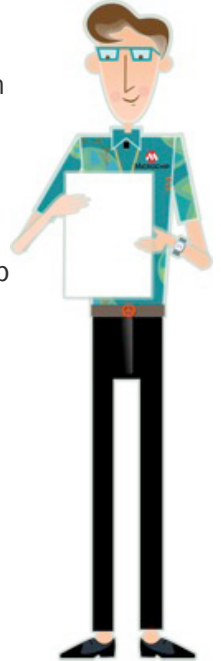
Microchip invests in our employees' futures by ensuring access to learning is available in native languages and during times that accommodate our global presence and workforce. Microchip's Learning Center offers many training opportunities in a variety of media to meet employee development needs, including classroom, virtual instructor-led, online, and blended programs that include an online component followed up by an interactive instructor-led web session. We also offer all employees the opportunity to pursue relevant higher education through a tuition reimbursement program.

IN ADDITION TO THE 39 FULL-TIME AND 167 IDENTIFIED INTERNAL COACHES LOCATED AROUND THE WORLD, IN 2018, 772 MANAGERS AND EMPLOYEES WERE INVOLVED IN DELIVERING PRACTICAL LEADERSHIP AND TECHNICAL TRAINING TO THEIR PEERS.

Learning and development at Microchip is a joint effort among employees, managers and the Global Organizational Learning and Development department. In addition to our 39 full-time training professionals and 167 identified internal coaches located around the world, in 2018, 772 managers and employees acted as subject matter experts to assist in delivering practical leadership and technical training to their peers.

Microchip's courses cover a range of training topics: Orientation to the company, core competencies such as empowerment, teamwork and communication, technical knowledge of Microchip products and applications, sales enablement, IT skills, leadership development, project management, and operational manufacturing skills.

UNITED STATES COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY AWARDS

- Ranked #2 on "The Best Companies to Work for in NY" by Best Companies Group
- Listed as a "Top Workplace" by The Austin (Texas) American Statesmen for the third year in a row
- Listed as on the 2018 "America's Best Employers" list produced by Forbes and Statista
- Named a "Top Workplace in the Bay Area (California)" by The Bay Area News Group
- Microchip President & CEO, Steve Sanghi, was honored as a Most Admired Leader by the Phoenix Business Journal

Microchip Technology Incorporated offers trip reduction programs for our Chandler, Tempe, and Gresham facilities. The program provides resources, support, and incentives to encourage employees to use greener transportation methods.

TRIP REDUCTION PROGRAM IN CHANDLER AND TEMPE

At Microchip's Arizona locations, we offer a variety of incentives and initiatives to help reduce our single-occupancy vehicle rate. We provide a 100% bus and light rail subsidy for employees who use public transit.

MARICOPA COUNTY (AZ) APPROVES, SUPPORTS MICROCHIP TRIP REDUCTION PROGRAM

Maricopa Country (AZ) Air Quality Department conducts an annual Trip Reduction Program audit. They review and approve Microchip's TRP plan. Participation in the County's Trip Reduction Program helps ensure Microchip complies with County Ordinances, supports the community's "Clean Air, Make More" initiative, and ensures we are consistent with best practices in reducing commuting emissions. Microchip's Trip Reduction program is also designed to encourage employees use alternative modes of transportation during "High Pollution Advisory" Days.

Employees who bike or walk to work participate in the free lunch program, attend the spring bike and walk event, and have access to bike racks and showers. Employees who carpool or drive alternative-fuel vehicles have access to premium parking spots.

No matter what alternative transportation method a Microchip employee uses through the Trip Reduction Program, they are guaranteed a ride home for emergencies, access to shower facilities, and access to incentives and events such as free lunches, gift cards, and prizes. We have more than 70+ active bus riders utilize the public transits system and more than 450 registered carpoolers at the Chandler and Tempe sites.

TRIP REDUCTION PROGRAM IN GRESHAM

Our Gresham Trip Reduction Program offers secure bike lockers and shower facilities, a guaranteed ride home for personal emergencies, reserved parking for carpools, hybrid vehicles, and motorcycles, and incentives and events such as catered meals, gift cards, and prizes. At our Gresham facility, we are able to offer public transportation passes at a significant savings. Since 2003, the single-occupancy vehicle rate has decreased by 26 percent at our Gresham location.

SINGLE-OCCUPANCY VEHICLE RATE FOR SITES WITH TRIP REDUCTION PROGRAMS IN PLACE

	2016	2017	2018
Chandler	83.9%	84.2%	86.1%
Gresham	68.0%	68.0%	63.0%
Tempe	67.5%	66.9%	69.5%

OCCUPATIONAL HEALTH AND SAFETY

"Safety is Never Compromised" is one of the Microchip Technology Incorporated's Guiding Values. Microchip's concern for the health and safety of our employees, contractors, vendors, and the communities in which we work helps determine our policies and define our practices. Because we are committed to providing a safe and healthy place to work, we have dedicated environmental, health, and safety (EHS) teams that ensure we meet all applicable laws and regulations. At Microchip, employees are responsible for both their safety and the safety of those around them. We actively promote a safe and healthy lifestyle and encourage employees to manage their personal health proactively.

RECORDABLE INCIDENTS

	2016	2017	2018
Chandler	3	2	2
Colorado Springs	16	18	14
Gresham	7	4	7
MMT	0	0	0
MTHAI	2	2	2
MPHIL	3	0	0
San Jose*	15	n/a	n/a
Tempe	11	7	12

INJURY RATE (CASES) PER 100 EMPLOYEES

	2016	2017	2018
Chandler	0.25	0.14	0.13
Colorado Springs	1.69	1.66	1.49
Gresham	1.20	0.74	1.21
MMT	0	0	0
MTHAI	0.06	0.056	.06
MPHIL	0.19	0	0
San Jose*	3.36	n/a	n/a
Tempe	1.99	1.24	2.18
OSHA Industry Injury Rate	1.10	1.20	1.20

* This facility is no longer a Microchip fabrication facility.

QUIET SPACES, SHARED READING AT MICROCHIP EMPLOYEE LIBRARIES IN NORWAY AND GERMANY

Microchip sites in Norway responded to employee suggestions to start a book exchange program in an employee common area. What resulted is a employee-run library space where employees are encouraged to relax, read, and unwind during scheduled breaks, surrounded by books, magazines, and video media that employees are free to take home.

The success of the library program was shared to other Microchip sites in Europe, and employees in Karlsruhe, Germany, immediately set up an employee library program at that site as well.

Employees appreciate the relaxed, quiet space and the ability to exchange materials.

ON SITE YOGA REDUCES STRESS, INCREASES FLEXIBILITY FOR EMPLOYEES IN SAN JOSE

Employees at Microchip San Jose have facilitated a weekly yoga class that is offered to all employees at no charge. Through mindfulness, strength, and stretching guided by a certified yoga instruction, Microchip employees have reported feeling relaxed and energized after each session.

Yoga is an ancient practice of physical and mental exercise that has been shown to enhance athletic ability, improve range of motion, and strengthen balance. The controlled breathing taught through the practice has also shown to decrease stress.

GARDENS GROW IN GRESHAM, TEMPE AND COLORADO

Employees in our Gresham, Tempe, and Colorado Springs locations are actively involved in vegetable and flower gardening on site.

In Gresham, the employee garden consists of 26 beds, surrounding paths, and two mature seedless green grapevines. In Tempe, the focus is on vegetables and herbs. In Colorado Springs, employees plant flowers in arrangements around the building entrance. Our employee gardeners grow a wide variety of fruits, vegetables, flowers, and herbs.

Gardening has been linked to increasing happiness and well-being, and we are proud to encourage our employees to get outside and get their hands dirty.

EXTENDING PORTABLES BATTERY LIFE WITH NEW TECHNOLOGY

Portable electronic devices, such as wearables, remotes and GPS tracking devices are expected or needed to run for months or years on a single battery, making minimizing power consumption a top priority. Reducing standby power consumption is critical where battery replacement is difficult and operating life requirements are high.

Microchip developed the MCP1811, a regulator that extends battery life in portable devices up to four times longer than traditional regulators. When integrated in portable devices, like GPS trackers, the MCP1811 allows customers to track—in real time—packages, small electronics, pets and animal collars, and other items for months or years on a single battery.

By reducing the need for end-users to recharge or replace batteries often, less overall energy is used and fewer batteries are needed over the product lifespan.
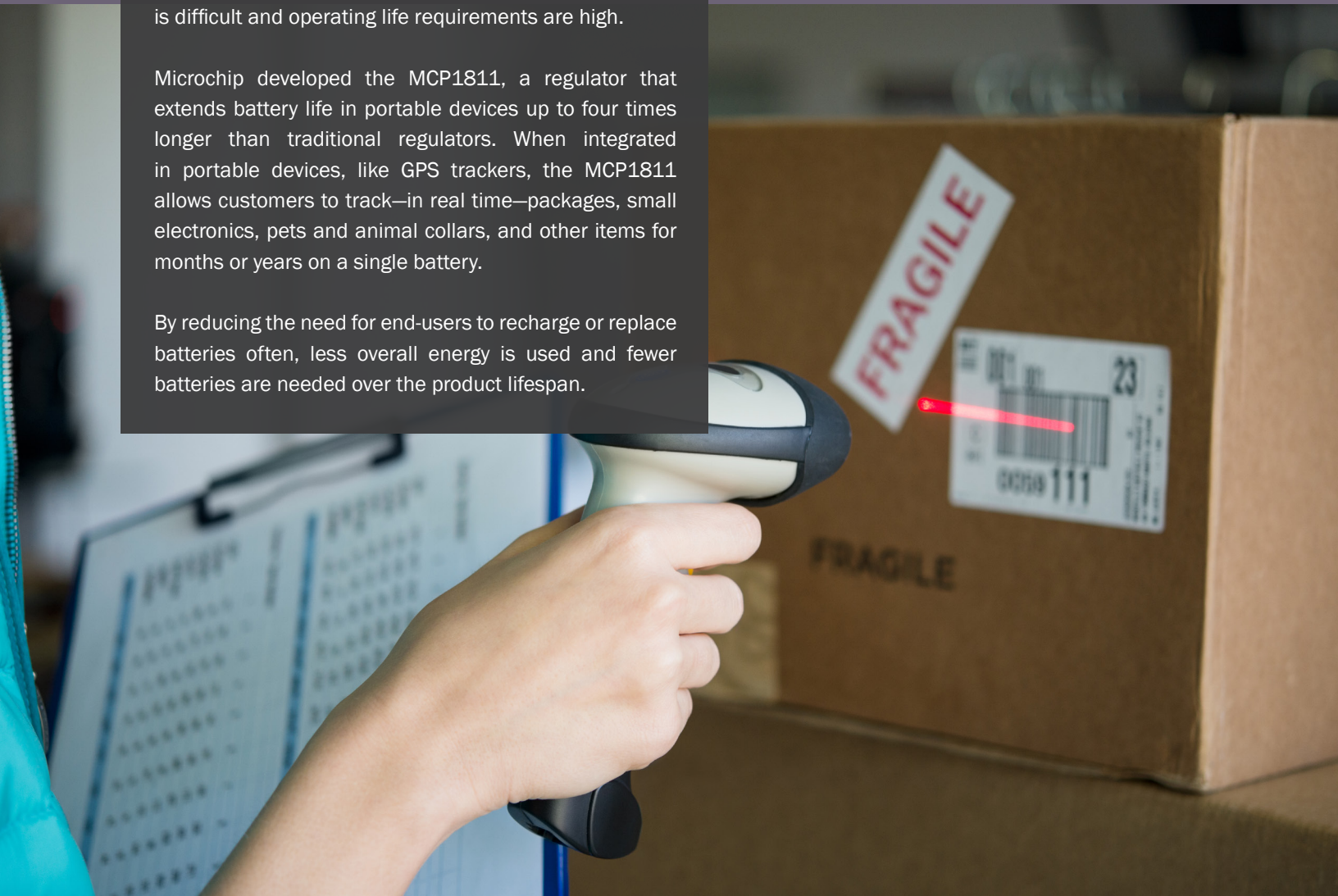
MICROCHIP

RESPONSIBILITY

Microchip Technology Incorporated is committed to be a responsible corporate citizen acting ethically and transparently in accordance with local laws, national legislation and industry standards. Microchip sets minimum compliance expectations for our supply chain partners including working conditions, health and safety, human rights, conflict minerals, and the environment. We periodically report on our progress internally to top management and externally through the UN Global Compact and this report.

CONFLICT MINERALS

Microchip Technology Incorporated and its subsidiaries share the global concern regarding the human tragedies occurring in the Democratic Republic of the Congo and the adjoining countries (Dodd-Frank "Covered Countries") associated with the mining of columbite-tantalite (tantalum), cassiterite (tin), wolframite (tungsten), and gold (collectively "3TG").

3TG originate from various continents, but armed groups engaged in, or interfering with, mining operations within the Covered Countries are subjecting people to human rights violations and using proceeds from the sale of 3TG to finance and sustain regional conflicts.

Microchip supports responsible mineral sourcing. We recognize the need to develop programs that allow for improved transparency in the 3TG supply chains. Our goal is to provide reasonable assurance that all integrated circuits manufactured by Microchip are responsibly sourced.

We are members of the Responsible Minerals Initiative ("RMI") that engages Smelters and Refiners ("SOR") and conducts audits of the SOR against responsible minerals sourcing protocols. It is Microchip's policy to conduct independent smelter due-diligence research on any smelter in our supply chain where we have reason to believe there might be unreasonable sourcing.

ALL SMELTERS IN OUR INTEGRATED CIRCUITS SUPPLY CHAIN WERE LISTED ON THE RMI-COMPLIANT SMELTER LIST AS OF THE INITIATION OF OUR REASONABLE COUNTRY OF ORIGIN INQUIRY CAMPAIGNS

Microchip is diligently working toward a goal of assuring our products are manufactured and are sourced from socially responsible supply chains. In pursuit of that goal Microchip is doing the following:

- Conducting annual RCOIs and subsequent due diligence required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") using the RMI's Conflict Minerals Reporting Template ("CMRT").

- Retaining professional third-party smelter sourcing due diligence.
- Presenting mineral sourcing risks to Microchip's senior management.
- Disallowing SOR into our integrated circuit supply chain that are not cooperating with, or that are no longer cooperating with, the RMI's Conflict Free Smelter Program or similar mineral sourcing audit programs.
- Providing information to suppliers and expecting each to source materials from socially responsible supply chains and to accurately and comprehensively disclose their list of SOR, either at company level or specific to those materials incorporated into Microchip's products.
- Publicly disclosing our conflict minerals policy, RCOI implementation procedures, and SOR sourcing due diligence.
- Including a conflict minerals flow-down clause in new and renewed supplier contracts and purchase terms and conditions

Microchip's current CMRT for integrated circuits and other conflict minerals programs documents are available on Microchip's website, at www.microchip.com/conflictminerals.

HUMAN RIGHTS

Microchip Technology Incorporated is dedicated to protecting human rights. This is demonstrated in our continued involvement with the United Nations Global Compact (UNGC). The UNGC promulgates 10 principles, with specific focus on labor standards related to freely chosen employment, child labor avoidance, working hours, wages, benefits, and humane treatment. Microchip continues to ensure alignment with these labor standards through our policies and business practices.

The State of California and the United Kingdom have introduced regulation centered on slavery and human trafficking under the California Transparency in Supply Chains Act and the UK Modern Slavery Act, respectively. Pursuant to these regulations, Microchip issues disclosure statements to emphasize those actions we've taken to eradicate slavery and human trafficking from our direct supply chain for tangible goods offered for sale. Our latest disclosure statement is publicly available on our website and may be found at www.microchip.com/about-us/corporate-responsibility.

Microchip continues to evolve its auditing practices, which includes conducting reviews with our significant subcontractors. Microchip typically uses direct material suppliers that are either ISO9001 or TS16949 certified. Capabilities and quality standards are surveyed and reviewed at the time of supplier selection, as well as during quarterly reviews.

Microchip's Compliance with Laws policies require compliance with laws by our employees, agents, contractors, and consultants. Microchip provides ethics training to employees, which includes an obligation to comply with laws and report violations of laws.

BUSINESS CONTINUITY

Microchip Technology Incorporated understands the importance of Business Continuity and is committed to maintaining systems that ensure continuity of supply and provide for mitigation of potential impact to our customers, partners and other stakeholders.

Microchip has established a Corporate Business Continuity (CBC) Steering Committee. The CBC Steering Committee is responsible for managing Microchip's CBC program and has created a Guidance Document (GD) to establish the expectations and standards to be used by all Microchip entities with respect to business continuity planning. The GD defines the minimum requirements for how to:

1.   Identify and evaluate internal and external risks
2.   Define contingency plans
3.   Document the plans
4.   Review and tests the plans
5.   Provide a customer notification process
6.   Provide for process validation post shutdown

Microchip Technology Incorporated has mapped all integrated circuits in its supply chain, including internal and external foundries, probe, assembly, and test locations. By doing this, we understand potential supply chain risk and recovery timing.

Microchip's BCP program is tested on regular basis at the local level and periodically from a corporate level. This testing involves table-top exercises (pursuant to BCPSC guidance), simulations and live scenario testing which may include in fire drills, shelter-in-place, and other exercises conducted in coordination with community stakeholders.

PRODUCT
STEWARDSHIP

Microchip Technology Incorporated is committed to providing products and technologies which contribute to positive change in the world and in people's lives. Each year we make significant investments in developing new technologies and products enabling a sustainable future which allow our customers to innovate for tomorrow.

GLOBAL PRODUCT COMPLIANCE LAWS

Microchip Technology Incorporated adheres to all applicable product material compliance laws and regulations throughout the entire product lifecycle. This practice has not only mitigated and/or eliminated the use of potentially hazardous materials but also provides environmentally-safe and reliable products for our customers. Microchip has developed a rigorous materials compliance specification and Hazardous Substance Process Management (HSPM) system to ensure our products are qualified to be introduced into commerce worldwide.

Because our products are sold around the world, we are subject to numerous legislative and regulatory requirements, in addition to individual customer specifications. Detailed information on our product material compliance program is available at https://www.microchip.com/about-us/environmental-health-and-safety. From this page, the following is available:

- Environmental, Safety and Health Policies
- Certificate of Compliance
- CE Marking Declaration of Conformance
- EU-REACH Statement
- Material Content Declarations for IC Product

ENVIRONMENTALLY-PREFERABLE PRODUCTS

Microchip Technology Incorporated specializes in high-efficiency semiconductor microcontrollers, analog, wireless, security, timing, discrete, and human-interface products.

OUR FOCUS ON RESEARCH AND DEVELOPMENT PROVIDES CUSTOMERS WITH AN OUTSTANDING PORTFOLIO OF ENVIRONMENTALLY-PREFERABLE OPTIONS AND MAKES US A SUPPLIER OF CHOICE FOR ENVIRONMENTALLY-CONSCIOUS CUSTOMERS.

These products are enabling technologies which are vital for allowing our customers to design and manufacture environmentally-preferable products.

Microchip provides innovative solutions to our customers and partners including extremely low power devices which significantly reduce energy or battery consumption for use in wearable/portable products with limited power source, LED lighting applications, and more efficient motor control applications. Microchip provides single-chip monitoring solutions for solar inverters, smart lighting, cloud servers, temperature sensors for commercial buildings, smart homes, and energy monitoring. We see the continued development of high efficiency products to be central to the future of both our company and the global economy.

Microchip innovates with sustainability and energy efficiency in mind. Our focus on research and development provides customers with an outstanding portfolio of environmentally-preferable options and makes us a supplier of choice for environmentally conscious customers. These efforts are highlighted on our Environmental Health and Safety website www.microchip.com/about-us/environmental-health-and-safety.

Producing environmentally-preferable products is not a static exercise. It takes continuous innovation and we are proud to share our vision regarding how we will continue our efforts toward developing environmentally-preferred integrated circuits.
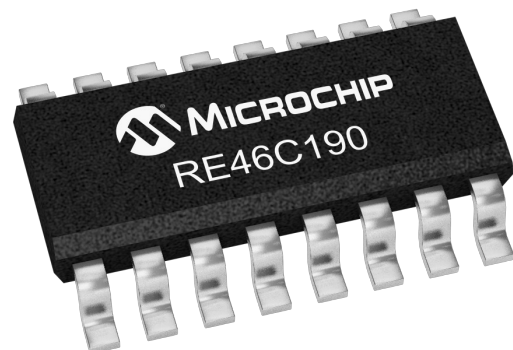
SINGLE-CHIP FLEXIBLE TIMING SOLUTION IS BIG ON FUNCTION AND SMALL ON SPACE.

Compact devices that require low-power operation, such as digital cameras, smart speakers, virtual reality headsets, streaming sticks and set-top boxes, need solutions that reduce application size while extending battery life.

Timing devices provide the "heartbeat" in a system. Almost all electronic products need reliable and stable clocks signal to transmit and process data. Traditional solutions usually include multiple crystals or crystal oscillators that consume a lot of board space and power.

Microchip's DSC613 clock family industry's smallest clock generator, and this single-chip solution can save up to 80 percent of board space and help reduce energy use.

MICROCHIP

INVOLVEMENT

Microchip Technology Incorporated is an active participant in the communities in which we operate. We give back by supporting and donating to schools, clubs, and charities. The ways in which we support the local communities where we operate reflects the diversity of the people and the needs of those communities. This section highlights some of the work that Microchip did in 2018.

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 workforce through engagement with Science, Technology, Engineering and Math (STEM).

Microchip supports FIRST® (For Inspiration and Recognition of Science and Technology) and VEX robotics programs through our support of the REC Foundation (Robotics Education Competition). 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 addition to ongoing support in Arizona, Microchip also supported a FIRST chapter in West Islip, New York. In April 2018, the team competed at the SBPLI (School-Business Partnerships of Long Island, Inc.) Long Island Regional in Hempstead, NY and was awarded the Innovation in Control Award sponsored by Rockwell Automation.

Microchip supports robotics programs in a number of financial and individual ways including:

- providing a full-time STEM representative to FIRST and VEX
- providing a Regional Director for FIRST in Arizona
- awarding 20 financial grants to "rookie" VEX teams
- offering facilities, supplies, and supply discounts for participants and staff volunteers working with FIRST, VEX, and AZFirst, a local non- profit supporting the 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
- hosting VEX tournaments at Microchip's Chandler facility

PROJECT CURE

Since 2007, Project C.U.R.E has been utilizing approximately 46,000 square feet of space donated by Microchip to store and deliver medical supplies and equipment. Project C.U.R.E. is the world's largest distributor of donated medical supplies and equipment. Since 1987, life-saving supplies have been shipped to more than 130 nations worldwide. Project C.U.R.E. accomplishes this by taking excess unused items from local medical facilities and shipping them to under-resourced hospitals in developing countries.

The cost of warehouse space would typically be a large expense on the nonprofit's balance sheet, so Project C.U.R.E. leverages Microchip's assistance to respond to the medical needs of developing countries. In 2018, volunteers packed a 40-foot cargo container bound for Falam General Hospital in Falam, Myanmar with life-saving medical supplies and equipment. The cargo shipped from the Project C.U.R.E. Tempe warehouse marked the first of several containers to support hospitals in this burgeoning country. The contents were customized to replenish the depleted hospital with supplies including gauze, syringes, surgical gowns and masks, surgical supplies, office furniture, beds and mattresses. The hospital, established in 1957, serves a population of more than 50,000 individuals in west central Myanmar , and ranked as one of the poorest communities in Myanmar.

PROJECT C.U.R.E. PHOENIX DISTRIBUTION CENTER MEDICAL DELIVERIES

	2016	2017	2018
Number of Shipments	41	36	22
Total Value of Shipments	$16 million	$14 million	$8.1 million

THAILAND COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY AWARDS

2016
- ASEAN Red Ribbon for Outstanding Workplace Award (ARROW)
- Clean Food Good Taste Award from the Ministry of Public Health
- CSR–DIW AWARD Corporate Social Responsibility from the Department of Industrial Works
- ER Award. Outstanding Employee Labor and Welfare from the Ministry of Labor
- Eastern Happy Workplace Award (Silver Level)
- National Safety Award from the Ministry of Labor
- National Zero Waste to Landfill Award
- Outstanding Wellness Program Award from the Ministry of Public Health

2017
- Business Ethics Standard Test Award (Best TCC Award) from the Thai Chamber of Commerce
- CSR–DIW Continuous AWARD Corporate Social Responsibility from the Ministry of Industry
- ER Award. Outstanding Employee Labor and Welfare from the Ministry of Labor
- Outstanding Disabled Employment Award from the Ministry of Social Development and Human Security
- The Standard on Prevention and Solution to Drug Problems in an Establishment Award from the Ministry of Labor

2018
- Clean Food Good Taste Award from the Ministry of Public Health
- ER Award. Outstanding Employee Labor and Welfare from the Ministry of Labor
- The Prime's Minister Industry Award for Quality Management from the Ministry of Industry
- Outstanding Disabled Employment Award from the Ministry of Social Development and Human Security
- Recognition Certificate as the first ranked company to comply with Disability Employment In Chachoengsao from the Ministry of Labor
- Recognition Certificate as the outstanding workplace on Dual Vocational Management from the Ministry of Education

MICROCHIP EMPLOYEES' VOLUNTEER EFFORTS SUPPORT LOCAL COMMUNITIES

Microchip employees around the globe participate in activities to help support the communities where they work and live.

In 2018, MTHAI employees donated toiletries and bathing products to women in a local correctional institution, participated in drug abuse prevention education and fire safety education programs in local schools, and held work days to repair and paint local school hallways and libraries.

MPHIL employees joined Brigada Eskwela in 2018. Brigada Eskwela is a nationwide voluntary effort in the Philippines that brings together teachers, parents, and the community to clean up, paint, and repair public schools before classes begin each year. Microchip employees painted indoor and outdoor spaces, cleaned and organized rooms, and offered free haircuts and grooming kits to schoolchildren.

In March 2018 at Calarasi County, Romania, a team of 20 Microchip volunteers planted almost 900 saplings in a single day. For the third time in 14 months, employees chose to dedicate one of their weekends to planting trees in the remote southern part of the country

In October 18, a group of 18 employees from the Microchip's Roseville, California, site volunteered time working to build a house with Habitat for Humanity of the Sacramento California area. Habitat for Humanity is a tremendous charity that allocates a house to a family in need if certain criteria are met.

These individual employee efforts are just a few of the initiatives employees engaged in that support Microchip's Guiding Values, helping Microchip continue demonstrate corporate social responsibility as a leader in our industry and cement the company as a valuable partner in our local communities.

MICROCHIP

MICROCHIP ROMANIA WELCOMES 80 STUDENTS DURING OPEN DAY

More than 80 students attended Microchip Romania's Open Day, an event targeted at students pursuing a career in electronics or software development, to enhance their knowledge about the industry.

Students learned about the company, attended a job-shop event to learn about careers and internships, visited the laboratory, and connected the students with advice on courses of study that will help them start careers in the electronics and software development industries. The hands-on learning experiences and presentations by our engineers offered a glimpse into the key skills and specific knowledge needed to develop Microchip products.

Open Day is about promoting opportunities within Microchip, but is also crucial to helping raise awareness regarding the electronics field in general.

STUDENT INTERNS AT MTHAI LEARN SKILLS FOR SUCCESS

In 2018, Microchip signed a signed a Memorandum of Understanding with Chachoengsao Vocational College in Thailand as part of an internship program.

The intensive training program puts students in real-life situations working for our world-class organization. Microchip mentors teach interns technical skills that can be used in specific settings at the company, but are also focused on teaching key skills that include critical thinking, teamwork, and time management.

When students finish their internships with Microchip, their experiences with us combined with their continuing education will result in a stronger workforce, both at Microchip and for our entire industry.

GRESHAM TEAM WOWS AT MAKERS-GONE-PRO EVENT

Our Fab 4 site in Gresham, Oregon, hosted a display at Makers Gone Pro, an event at a local charter school designed to get students excited about manufacturing and engaged with industry representatives.

Microchip employees volunteered to attend and explain Microchip products through hands-on experiences and a panel discussion.

The team also brought the EggBot, a Microchip microcontroller driven device. The EggBot uses a sharpie to draw images on an egg, or in this case a ping pong ball, using Inkscape software. They were able to draw custom images and took requests throughout the event to engage students, sparking their interest in engineering, manufacturing, and technology.

TEMPERATURE MONITORING WITH FLEXIBLE DESIGN CHOICE

Temperature measurement is central to the functionality of Internet of Things (IoT) and personal computing devices. Microchip's EMC181x temperature sensor family helps reduce power consumption and lower system voltage on up to five different channels, while also providing advanced warning on temperature fluctuations.

Used in "smart" home thermostats and commercial HVAC systems, this sensor family monitors temperature at multiple locations with a single, integrated temperature sensor.

As customers and applications migrate to lower voltage products, the EMC181x temperature sensor family is ideal for IoT devices using lower voltage power. The sensors also reduce the number of devices needed for remote temperature monitoring.

The EMC181x is the first in the industry to offer rate-of-change reporting in addition to regular temperature reporting. This notifies the system of a sudden change in a system to help provide early warning of sudden change to help protect against disastrous potential system failures.

Security

Lighting

Network

Camera

Alarm

Sma

40%

ON

37°C
98.6°F
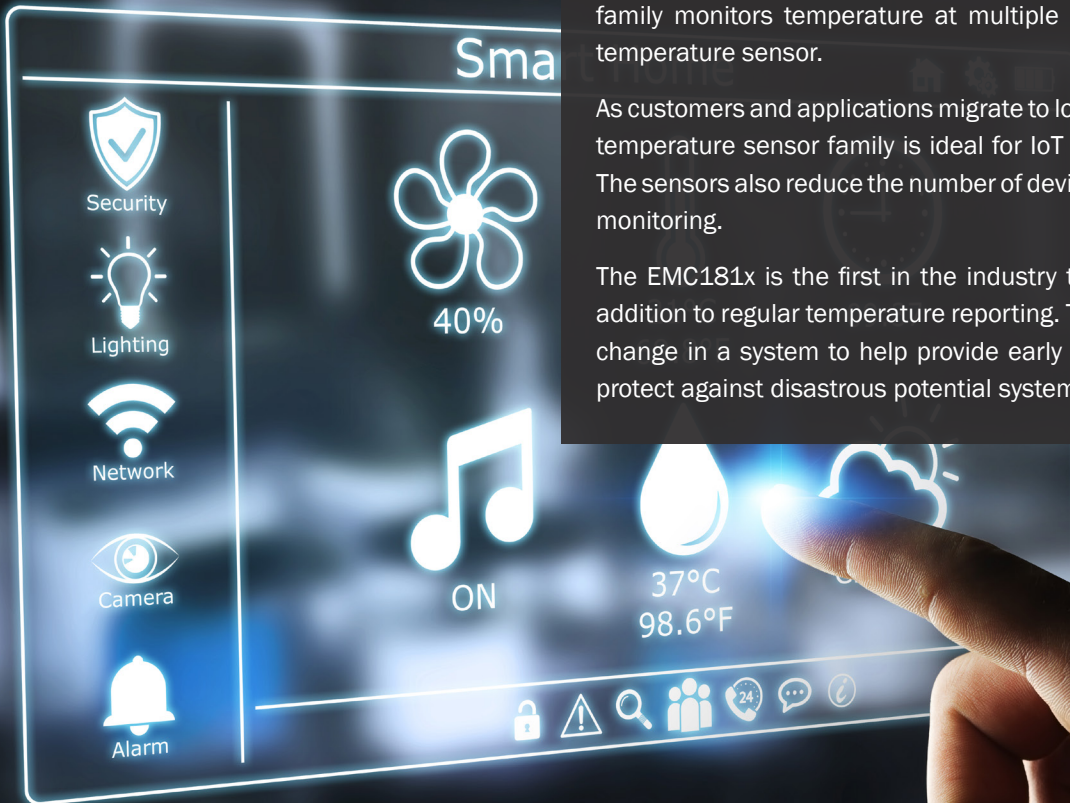
MICROCHIP

COMPACT

Ethical business conduct is critical to our business. In addition to commitment to compliance with applicable laws and our Code of Business Conduct and Ethics and associated policies, Microchip became a participant in the UN Global Compact. The United Nations developed a global compact that includes 10 principles in the areas of human rights, labor, the environment, and anti-corruption. Microchip supports the UN Global Compact's core principles as stated in our commitment letter. Learn more at www.unglobalcompact.org.

SUMMARY OF REPORTING TO UN GLOBAL COMPACT PRINCIPLES

ISSUE	PRINCIPAL	PAGE
Human Rights	1: Businesses should support and respect the protection of internationally proclaimed human rights	12, 25, 31-32
	2: Make sure that they are not complicit in human rights abuses	12-13, 31-32
Labor	3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	25
	4: The elimination of all forms of forced and compulsory labor	12, 25, 31-32
	5: The effective abolition of child labor	12, 25, 31-32
	6: The elimination of discrimination in respect of employment and occupation	12, 24-25, 32
Environment	7: Businesses should support a precautionary approach to environmental challenges	16
	8: Undertake initiatives to promote greater environmental responsibility	16-23
	9: Encourage the development and diffusion of environmentally friendly technologies	14, 19, 23, 30, 36, 42
Anti-Corruption	10: Businesses should work against corruption in all its forms, including extortion and bribery	11-13

GRI CONTENT INDEX

CHANGES TO OUR REPORTING BOUNDARIES

We have used the Global Reporting Initiative's Sustainability Reporting Standard to inform our reporting processes, boundaries and content. The following table provides a reference for relevant GRI indicators. This Sustainability Report boundary includes all facilities owned and operated by Microchip. There are no changes to the boundaries from previous years unless explicitly stated in a data table.

UPDATES AND CORRECTIONS
There are no restatements to data from past years.

GRI STANDARD	GRI TOPIC	INDICATOR	DESCRIPTION	PAGE
GRI 102 - General Disclosures - 2016	Organizational Profile	102-1	Name of Organization	3
GRI 102 - General Disclosures - 2016	Organizational Profile	102-2	Activities, brands, products and services	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-3	Location of headquarters	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-4	Location of operations	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-5	Ownership and legal form	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-6	Markets served	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-7	Scale of the organization	6
GRI 102 - General Disclosures - 2016	Organizational Profile	102-12	External initiatives	9
GRI 102 - General Disclosures - 2016	Organizational Profile	102-13	Memberships of associations	9
GRI 102 - General Disclosures - 2016	Strategy	102-14	Statement from senior decision-maker	4-5
GRI 102 - General Disclosures - 2016	Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	11-12
GRI 102 - General Disclosures - 2016	Ethics and Integrity	102-17	Mechanisms for advice and concerns about ethics	12, 24
GRI 102 - General Disclosures - 2016	Governance	102-18	Governance structure	12
GRI 102 - General Disclosures - 2016	Governance	102-21	Consulting stakeholders on economic, environmental, and social topics	10
GRI 102 - General Disclosures - 2016	Governance	102-22	Composition of the highest governance body and its committees	7
GRI 102 - General Disclosures - 2016	Governance	102-23	Chair of the highest governance body	7
GRI 102 - General Disclosures - 2016	Governance	102-24	Nominating and selecting the highest governance body	7
GRI 102 - General Disclosures - 2016	Governance	102-31	Review of economic, environmental, and social topics	15
GRI 102 - General Disclosures - 2016	Stakeholder Engagement	102-40	List of stakeholder groups	10
GRI 102 - General Disclosures - 2016	Stakeholder Engagement	102-41	Collective bargaining agreements	25
GRI 102 - General Disclosures - 2016	Stakeholder Engagement	102-42	Identifying and selecting stakeholders	10
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