Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Microchip Technology Incorporated is a leading provider of smart, connected and secure embedded control solutions. Its easy-to-use development tools and comprehensive product portfolio enable customers to create optimal designs which reduce risk while lowering total system cost and time to market. The company's solutions serve more than 120,000 customers across the industrial, automotive, consumer, communications and computing markets. Our product portfolio is comprised of general-purpose and specialized 8-bit, 16-bit, and 32-bit microcontrollers, 32-bit microprocessors and Field-Programmable Gate Array (FPGA) products. We also offer 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 systems, safety, security, wired connectivity and wireless connectivity devices. Our portfolio also includes 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 into 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, space, communications, computing, medical, consumer and industrial control markets.

Our manufacturing operations include wafer fabrication, wafer probe, assembly and test. The ownership of a substantial portion of our manufacturing resources is an important component of our business strategy, enabling us to maintain a high level of manufacturing control, resulting in us being one of the lowest cost producers in the embedded control industry. By owning wafer fabrication facilities and our assembly and test operations, and by employing statistical techniques (statistical process control, designed experiments and wafer level monitoring), we have been able to achieve and maintain high production yields. Direct control over manufacturing resources allows us to shorten our design and production cycles. This control also allows us to capture a portion of the wafer manufacturing and assembly and testing profit margin. We do outsource a significant portion of our manufacturing requirements to third parties and the amount of our outsourced manufacturing has increased in recent years due to our acquisitions of Microsemi and other companies that outsource all or substantial portions of their

manufacturing. We comply with several quality systems, including: ISO9001 (2015 version), IATF16949 (2016 version), AS9100 (2016 version), and TL9000.

Microchip Technology Incorporated was incorporated in Delaware in 1989. Our executive offices are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199 and our telephone number is (480) 792-7200.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Canada
China
France
Germany
Hong Kong SAR, China
India
Ireland
Israel
Italy
Malaysia
Norway
Philippines
Romania
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	MCHP

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Our Nominating, Governance, and Sustainability Committee (NGSC) oversees our policies and practices relating to significant environmental, social, governance and other public policy matters relevant to Microchip. In this regard, the committee reviews and reports to the Board, and discusses with management, on a periodic basis, matters of corporate responsibility and sustainability performance, including potential long and short-term trends and impacts to our business of environmental, social, human capital, diversity and inclusion, and governance issues, including our public reporting on these topics. The Nominating, Governance and Sustainability Committee's charter further identifies the committee's responsibilities related to environmental matters and may be found at: https://www.microchip.com/content/dam/mchp/documents/financial/investordocuments/corpo

	rate-governance/Charter%20for%20Nominating,%20Governance,%20and%20Sustainability%20Committee,%20amended%20and%20restated%20as%20of%20May%2025,%202021.pdf

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Board's Nominating, Governance, and Sustainability Committee (NGSC) oversees all corporate responsibility matters. Management provides updates on such matters to the NGSC on a periodic basis which then reports to the Board. Further information on the board's oversight can be found in our 2021 Sustainability Report, Form 10-K, and 2022 Proxy Statement.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	Important but not an immediate priority	The Board's Nominating, Governance, and Sustainability Committee (NGSC) oversees all significant corporate responsibility matters. Management provides updates on such matters to

			the NGSC on a periodic basis which then reports to the Board, or directly to the Board. Further information on the board's oversight can be found in our 2021 Sustainability Report , 2022 Form 10-K, and 2022 Proxy Statement.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Sustainability committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The President and CEO is responsible for managing Microchip's overall operations which includes all climate-related activity.

The ESG Steering Committee is composed of Senior Executives including the CFO, Sr VP Fab Ops, Sr VP Backend Ops, Sr VP APID, Sr VP Global HR, Vice President and Assistant General Counsel, Director Marketing, Director Strategic Global Accounts, Asso. Director Risk Loss and EHS in addition to members from the ESG Assurance team. This committee is responsible for direction of climate related activities for Microchip. It receives input from stakeholders including our investors and makes recommendations to our CEO and Executive Staff who are the decision-making body for how to proceed with our climate-related activities including water risk management.

The VP of Fab Operations is a member of the ESG Steering Committee and has responsibility for Microchip's front-end manufacturing operations, foundry operations, and facilities operations at Microchip's design centers. The VP of Fab Operations has an overriding goal to "continue a program of sustainability which is cost-effective and produces meaningful results." One way in which the VP of Fab Operations is empowered to achieve that goal is responsibility for capital improvements that reduce greenhouse gas (GHG) emissions. The VP of Fab Operations oversees the team that has responsibility for facility risk management and business continuity for Microchip facilities worldwide including climate-related activities.

The VP of Backend Operations is a member of the ESG Steering Committee and leads Microchip's back-end assembly and test operations. Reporting up through the VP of Backend Operations is a dedicated team of environmental compliance, facility engineering, and manufacturing engineering professionals who are responsible for tracking, analyzing and reporting energy consumption and GHG emissions. This dedicated team is also responsible for evaluating site opportunities for energy reduction and direct GHG emissions reductions. The VP of Backend Operations is also responsible for oversight of the ESG Assurance Team.

The CFO manages Microchip's U.S. SEC filings (e.g., 10-K, 10-Q, etc.) which includes climate-related risk factors. The CFO also communicates directly with shareholders on climate-related inquiries and issues. The CFO is also a member of the ESG Steering Committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction target Energy reduction target	The SVP of Fab Operations' annual assessment and corresponding merit raise is partially dependent upon success in achieving climate goals as measured by compliance to regulatory limits and internal strategic goals.
Risk manager	Monetary reward	Emissions reduction target Energy reduction target	Microchip's Asso. Director Site Services and Risk Loss EH&S is specifically responsible for facility risk management and business continuity for Microchip facilities worldwide including climate change management related to physical risks. His annual assessment and corresponding merit raise are partially dependent upon his performance of related MBOs (individual performance objectives) and Microchip's compliance

			with environmental requirements and internal strategic goals.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Environmental criteria included in purchases Company performance against a climate-related sustainability index	Microchip's Sr. Corporate Environmental Manager, Corporate Environmental Services, and U.S. Fab environmental managers are specifically responsible for Microchip's GHG emissions and reporting programs. Their annual assessments and corresponding merit raises are partially dependent upon their performance of GHG related MBOs and Microchip's compliance with air permit and GHG reporting legal requirements. They are responsible for developing comprehensive, strategic climate change assessment and management programs to align with Microchip corporate and Fab-specific business plans.
Business unit manager	Monetary reward	Energy reduction project Energy reduction target Efficiency project Efficiency target	Various product group managers have product lines or markets - such as XLP and home appliance -- that can directly or indirectly reduce greenhouse gas emissions. Their annual assessments and corresponding merit raises are partially dependent upon meeting revenue targets. Their ability to meet revenue targets is dependent upon their products' ability to solve the energy management and reduction needs of their customers

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	Our short-term GHG reduction target is estimated for 2023 with 2018 as a baseline
Medium-term	5	12	Our mid-term GHG reduction target is estimated for 2030 with 2018 as a baseline
Long-term	12	25	Our long-term net zero target is set for 2040 with 2018 as a baseline

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Climate change regulations and sustained adverse climate change pose risks that could harm our results of operations.

Climate change regulations or voluntary actions we may have taken as part of our Environmental, Social, and Governance initiatives could require us to limit emissions, change manufacturing processes, substitute materials which may cost more or be less available, fund offset projects, obtain new permits or undertake other costly activities. Failure to obtain required permits could result in fines, suspension, or cessation of production. Restrictions on emissions could result in significant costs such as higher energy costs, carbon taxes, and emission cap and trade programs. The cost of compliance with such regulations could restrict our manufacturing operations, increase our costs, and have an adverse effect on our operating results.

The SEC has recently proposed a rule titled Enhancement and Standardization of Climate-Related Disclosures for Investors. While the proposed rule is not yet in effect and is subject to change as a result of the SEC comment process, if it were to go in effect in its current form, we would incur significant additional costs of compliance due to the need for expanded data collection, analysis, and certification. Further, certain elements of the proposed rule, such as mandatory third-party verification of emissions, may be difficult to comply with in the proposed required timeframe as there may be an insufficient number of qualified third-party verification entities to meet demand.

Sustained adverse change in climate could have a direct adverse economic impact on us, such as utility shortages, and higher costs of utilities. Certain of our operations are located in arid or tropical regions, which some experts believe may become vulnerable to fires, storms, severe floods and droughts. While our business recovery plans are intended to allow us to recover from natural disasters or other disruptive events, our plans may not protect us from all events.

We are subject to stringent environmental and other regulations, which may force us to incur significant expenses.

We must comply with federal, state, local and foreign governmental regulations related to the use, storage, discharge and disposal of hazardous substances used in our products and manufacturing processes. Our failure to comply, or the failure of entities that we have acquired over time to have complied, with regulations could result in significant fines, liability for clean up, suspension of production, cessation of operations or future liabilities. Such regulations have required us in the past, and could require us in the future, to incur significant expenses to comply with such regulations. Our failure to control the use of, or adequately restrict the discharge of, hazardous substances could impact the health of our employees and others and could impact our ability to operate. Such failure could also restrict our ability to ship certain products to certain countries, require us to modify our logistics, or require us to incur other significant costs and expenses. Environmental laws continue to expand with a focus on reducing or eliminating hazardous substances in electronic products and shipping materials. Future environmental regulations could require us to reengineer certain of our existing products and may make it more expensive for us to manufacture, sell and ship our products. In addition, the number and complexity of laws focused on the energy efficiency of electronic products, the recycling of electronic products, and the reduction in the amount and the recycling of packing materials have expanded significantly. It may be difficult for us to timely comply with these laws and we may have insufficient quantities of compliant products to meet customers' needs, thereby adversely impacting our sales and profitability. We may have to write off inventory if we hold unsaleable inventory as a result of changes to regulations. We expect these risks to continue. These requirements may increase our own costs, as well as those passed on to us by our supply chain.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Climate change is naturally integrated into our overall business strategy through our Guiding Values, corporate structure/oversight, and processes that include: ESG Steering Committee meetings, Operations Review Meetings, Operations Management,

Product Development and Marketing, Risk Management, Business Continuity Planning, Sustainability Management, and management and processes of relevant business and functional units. The ESG Steering Committee is comprised of executive and Sr management including multiple corporate officers. The ESG Steering Committee provides the highest level of recommendations to the CEO who then provides direction to the ESG Steering Committee and corporation concerning climate, environmental and governance activities. The ESG Steering Committee activities are overseen by the Executive Chair, and President and CEO who are board members.

Operations Review offers a twice weekly forum addressing any issue impacting customer demand, manufacturing capacity, logistics, business continuity, investor concern, financial need, and resource allocations and priorities.

Operations Management offers weekly, monthly, and quarterly meetings that include corporate, country, and site level reviews of efficiency, reduction projects, and physical threats to facilities and operations.

Product Development and Marketing teams monitor regulatory changes impacting customers and potential customers to anticipate market needs. They monitor environmentally conscientious initiatives and energy regulations to help drive new product development with the intent of meeting the evolving needs of our customers who are designing innovative products while meeting green regulations. We continually push to reduce energy consumption and leakage (wasted energy) at the processor level. Risk management includes physical risk analysis and prevention as part of insurance reviews and business continuity.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Microchip is committed to providing products and technologies which contribute to positive change in the world and in people’s lives. This includes minimizing the environmental impact of our products throughout all stages of their life cycle. Each year we make significant investments developing new technologies and products, enabling a sustainable future and allowing our customers to innovate for tomorrow.

Microchip specializes in high-efficiency semiconductor MCUs, 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. Microchip's 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. 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 web page.

We believe the continued development of green and high-efficiency products is central to the future of our company and the global economy. Producing environmentally preferable products is not a static exercise. It takes continuous innovation, and we are proud to share our vision.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

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

Microchip is dedicated to protecting human rights. As part of our focus on continued improvement of our policies and procedures to ensure the protection of our employees and the employees of our supply-chain partners, Microchip joined the Responsible Business Alliance (RBA) in 2020 and adopted its Code of Conduct for our suppliers.

Microchip also has a Human Rights Policy that sets out the fundamental principles embedded in our business operations and culture to ensure that we do not engage in or support activities that directly or indirectly violate human rights. The key elements of the policy are ethical business conduct, fair labor practices, diversity, inclusion, non-discrimination and anti-harassment, safe working conditions, the prevention of forced labor and child labor, and freedom of association. Our Human Rights policy sets standards for labor, health and safety, the environment and ethics for all our operations.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	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/en-us/about/corporate-responsibility/product-material-compliance. This is part of the ESG Steering Committee discussions.
Emerging regulation	Relevant, always included	Microchip is a global company whose operations are subject to numerous laws and regulations. Our Environmental Health and Safety and Compliance organizations monitor emerging / proposed legislative and regulatory programs to evaluate potential impact. This is part of the ESG Steering Committee discussions.
Technology	Relevant, always included	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. Microchip's green and ultra-low power device offerings are part of enabling technologies which provide customers sustainable solutions.
Legal	Relevant, always included	Microchip has had zero climate related litigation claims. Microchip routinely monitors pending regulation and policy to understand and plan for any potential for impact to our value chain. This is part of the ESG Steering Committee discussions.
Market	Relevant, always included	Market and market conditions are factors that are considered as part of Microchip's overall risk and opportunity assessment. Microchip provides products with an emphasis on ultra-low power consumption, extended battery life, and real-time monitoring. We deliver high-efficiency, affordable components to manufacturers, helping decrease the environmental impact of commercial and retail products in dozens of industries. For example, our innovations in predictive server cooling sensors reduce data farm power consumption, while our irrigation-

		controls systems help reduce over-watering by maximizing watering efficiency for everyone from the backyard gardener to agribusiness leaders. This is part of the ESG Steering Committee discussions.
Reputation	Relevant, always included	At Microchip, our vision is to be the leading supplier of embedded control solutions. 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 of our company, customers, shareholders, employees, and communities. This is part of the ESG Steering Committee discussions.
Acute physical	Relevant, always included	Acute physical impact is a factor considered as part of Microchip's overall risk and opportunity assessment. Microchip routinely monitors the frequency and severity of extreme weather events and their potential impact to our operations as part of our Business Continuity Program. This is part of the ESG Steering Committee discussions.
Chronic physical	Relevant, sometimes included	Chronic physical impact is a factor considered as part of Microchip's overall risk and opportunity assessment. Long term shifts in climate patterns including rising sea levels or chronic heat waves are considered as part of our Business Continuity Program. Microchip has facilities located in areas which may have risk associated with climate change. This is part of the ESG Steering Committee discussions.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Climate change regulations at the federal, state, or local level or in international jurisdictions could require us to limit emissions, change our manufacturing processes, obtain substitute materials which may cost more or be less available, increase our investment in control technology for greenhouse gas emissions, fund offset projects or undertake other costly activities. These regulations could significantly increase our costs and restrict our manufacturing operations by virtue of requirements for new equipment. New permits may be required for our current operations, or expansions thereof. Failure to timely receive permits could result in fines, suspension of production, or cessation of operations at one or more facilities. In addition, restrictions on carbon dioxide or other greenhouse gas emissions could result in significant costs such as higher energy costs, and utility companies passing down carbon taxes, emission cap and trade programs and renewable portfolio standards. The cost of complying, or of failing to comply, with these and other climate change and emissions regulations could have an adverse effect on our operating results.

Time horizon

Long-term

Likelihood

Unknown

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Any financial impact is unknown at this point. Until a given regulatory change is proposed, it is not possible to determine the cost of any associated change.

Cost of response to risk

Description of response and explanation of cost calculation

Long-Term Strategy Influenced by Climate Change: Capital improvements and manufacturing changes to keep GHG emissions below an expected lowering U.S. CAA Title V permitting threshold and to address risks related to weather volatility as

appropriate. We intend to maintain a corporate structure and culture that facilitates communication of a unified business plan able to urgently address unexpected opportunities and risks. We expect to keep abreast of customer and potential customer needs and evolving regulatory changes. We will investigate possible improvements in innovation and participate as appropriate for Microchip.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Sustained adverse change in climate could have a direct adverse economic impact on us, such as water and power shortages, and higher costs of water or energy to control the temperature of our facilities. Certain of our operations are located in arid or tropical regions, such as Arizona, Thailand, and the Philippines. Some environmental experts predict that these regions may become vulnerable to storms, severe floods and droughts due to climate change. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can interrupt our business, we cannot be certain that our plans will protect us from all such disasters or events.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Any financial impact is unknown at this point.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Global focus on reducing Greenhouse Gas Emissions (GHG) to slow the pace of climate change has influenced Microchip's business strategies as an opportunity for revenue and a way to mitigate risk associated with business operations. Investment in Research

and Development includes monitoring, reducing and controlling power use, and looking at expanded temperature ranges. Microchip produces and markets microcontroller and analog semiconductors that enable low power consumption for everyday needs, wired and wireless communications protocols, and opportunities to continuously increase the intelligence and capability of smart technologies for the efficient and reduced use of energy. For example, our solutions are used worldwide in millions of utility meters because they allow designers to directly drive inexpensive LED and LCD displays, add wireless communication for automated meter reading, implement anti-tampering techniques, manage low-power design with XLP technology, and simplify meter calibration. Our solutions help power supply manufacturers make intelligent power supplies that use less energy and use energy more efficiently. A large data center packed with thousands of power supplies running around the clock can consume anywhere from 20 megawatts to 90 megawatts of energy. To put this in perspective, 45 megawatts can power over 11,000 homes. Intelligence and efficiency improvements reduce the environmental impact. Climate change has influenced our energy reduction goals and associated projects, the importance of consolidating our GHG emissions data and reduction efforts, and the breadth of our business continuity risk assessments.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated financial implication for this opportunity is unknown at this time; however, this opportunity will be included in the larger calculation used in Microchip's financial forecasts that predict revenue targets. Information on Microchip's financials are available at www.microchip.com.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Microchip's strategy is to partner with our customers to fully understand their needs and then recommend innovative solutions to fulfil those needs with low-power solutions that exceed customer expectations. We leverage our engineering and marketing expertise to continuously improve those solutions we bring to the marketplace. By fully understanding the needs of our customers we are able to provide full system-solutions that maximize the low-power benefit to the end customer.

Comment

Microchip would anticipate that its sales force and engineering teams would expand to support continued growth if this opportunity were to materialize. Because we are unsure of the potential benefit, we are unable to estimate the cost.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Microchip is currently in the process of finalizing its net zero roadmap with the assistance of third-party consultants. The strategic transition plan will be aligned with the 1.5°C scenario in line with our climate goals.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	Microchip enhanced its disclosures to align with the Task Force on Climate-Related Financial Disclosures (TCFD) in its 2021 Sustainability Report and plans to complete its formal climate-related scenario analysis

			in the next two years as the gradual next step.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	OPPORTUNITY: Microchip Technology Incorporated specializes in high-efficiency semiconductor micro-controllers, analog, wireless, security, timing, discrete, and human-interface products. Microchip's 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.
Supply chain and/or value chain	Yes	RISK: Certain of our operations are located in arid or tropical regions, such as Arizona, Thailand, and the Philippines. Some environmental experts predict that these regions may become vulnerable to storms, severe floods, and droughts due to climate change. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can interrupt our business, we cannot be certain that our plans will protect us from all such disasters or events.
Investment in R&D	Yes	OPPORTUNITY: Microchip Technology Incorporated specializes in high-efficiency semiconductor micro-controllers, analog, wireless, security, timing, discrete, and human-interface products. 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. We see the continued development of green and high efficiency products to be central to the future of both our company and the global economy. Producing environmentally

		preferable products is not a static exercise. It takes continuous innovation, and we are proud to share our vision regarding how we continue our efforts toward developing environmentally-preferable products.
Operations	Yes	OPPORTUNITY: Microchip is actively investing in its facilities to reduce energy use, decrease our carbon footprint and create a more sustainable future. We continue to migrate production to our most efficient manufacturing centers wherever possible. We have also worked to reduce the amount of electricity, natural gas, and distillate fuel oil used in our operations through energy-improvement projects. These types of projects are not only good for the environment, but also incur cost savings for the company and promote process efficiency.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Climate change regulations and sustained adverse climate change pose regulatory and physical risks that could harm our results of operations or affect the way we conduct business. Climate change regulations at the federal, state or local level or in international jurisdictions could require us to limit emissions, change our manufacturing processes, obtain substitute materials which may cost more or be less available, increase our investment in control technology for greenhouse gas emissions, fund offset projects or undertake other costly activities. These regulations could significantly increase our costs and restrict our manufacturing operations by virtue of requirements for new equipment. New permits may be required for our current operations, or expansions thereof. Failure to timely receive permits could result in fines, suspension of production, or cessation of operations at one or more facilities. In addition, restrictions on carbon dioxide or other greenhouse gas emissions could result in significant costs such as higher energy costs, and utility companies passing down carbon taxes, emission cap and trade programs and renewable portfolio standards. The cost of complying, or of failing to comply, with these and other climate change and emissions regulations could have an adverse effect on our operating results.

		Further, any sustained adverse change in climate could have a direct adverse economic impact on us, such as water and power shortages, and higher costs of water or energy to control the temperature of our facilities. Certain of our operations are located in arid or tropical regions, such as Arizona, Thailand, and the Philippines. Some environmental experts predict that these regions may become vulnerable to storms, severe floods and droughts due to climate change. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can interrupt our business, we cannot be certain that our plans will protect us from all such disasters or events.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2
Scope 3

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 8: Upstream leased assets
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

529,370

Base year Scope 2 emissions covered by target (metric tons CO2e)

328,915

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

858,285

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2040

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

407,724

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

305,162

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

712,886

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

The net zero target covers all scopes of emissions. The scope 3 emissions weren't added to the total covered emissions for the reporting year because we are still evaluating our scope 3 emissions. Also, the base year metrics are not relevant/applicable to this net zero target because the final target is for net emissions to be zero by 2040.

Plan for achieving target, and progress made to the end of the reporting year

We continue to do the following as part of our plans to achieve the target:

- Invest additional capital in abatement technologies in our factories
- Partner with external consultants to perform a detailed audit of installed tools/equipment at all internal fabs to formulate a low carbon strategy either through abatement or gas switching
- Invest in clean energy to reduce scope 2 emissions

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric
Other, please specify
Metric tons of CO2e per Mn normalized production units

Base year
2018

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
103.606

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
103.606

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2023

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

88.0651

% change anticipated in absolute Scope 1+2 emissions

-15

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

86.08

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

86.08

% of target achieved relative to base year [auto-calculated]

112.7733915024

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

No exclusions, all scope 1 emissions were included within the target coverage.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

The following initiatives contributed to achieving this target:

- Investing additional capital in abatement technologies in our factories
- Rebalancing and refocus of our internal fabs by moving high-runner materials to locations running larger wafers with advanced abatement technology and focusing our older-technology fab into a boutique fab running lower-volume, specialty materials

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Company-wide

Target type: energy carrier

All energy carriers

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2018

Consumption or production of selected energy carrier in base year (MWh)

1,024,225

% share of low-carbon or renewable energy in base year

0

Target year

2025

% share of low-carbon or renewable energy in target year

25

% share of low-carbon or renewable energy in reporting year

0

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, it is a part of our efforts to reduce scope 2 emissions and be Net Zero by 2040

Is this target part of an overarching initiative?

Other, please specify

This is part of our science-based Net Zero target that has not been validated by SBTi

Please explain target coverage and identify any exclusions

The target covers our scope 2 emissions and global electricity use

Plan for achieving target, and progress made to the end of the reporting year

We plan to achieve this target by transitioning to clean and renewable sources of energy. Microchip is currently exploring solar and fuel cell technologies for its facilities and has already completed an energy assessment of its headquarters in Chandler, Arizona.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Int1

Target year for achieving net zero

2040

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions

The target covers all three scopes of emissions without any exclusions

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		

Implementation commenced*		
Implemented*	25	1,928
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

633

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

158,801

Investment required (unit currency – as specified in C0.4)

488,420

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

All HVAC projects were combined into one for the purpose of this response

Initiative category & Initiative type

Energy efficiency in buildings
Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)

124

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

20,343

Investment required (unit currency – as specified in C0.4)

41,727

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

All VFD and high efficiency motor projects were combined into one for the purpose of this response

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

253

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

145,484

Investment required (unit currency – as specified in C0.4)

247,222

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

All LED lighting projects were combined into one for the purpose of this response

Initiative category & Initiative type

Energy efficiency in production processes

Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

135

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

29,776

Investment required (unit currency – as specified in C0.4)

59,970

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

Compressed air leak scan and repair, Upsized compressor air pipe to reduce pressure

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

784

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

178,770

Investment required (unit currency – as specified in C0.4)

119,355

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Ideal time optimization, reduction in CDA, P-VAC, and ASO-AHU power consumption

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Compliance with air quality permit limitations or in anticipation of new/modified regulatory programs. With respect to CO2e, planned emission reduction projects to avoid Title V permitting requirements.
Lower return on investment (ROI) specification	Increasing an acceptable ROI period for facility energy reduction projects.
Other Long return on investment (ROI) projects	Very long ROI facilities projects may also be considered for infrastructure reliability reasons not related to reducing energy consumption or CO2e emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other

Other, please specify

Microcontrollers and Microprocessors

Description of product(s) or service(s)

Details on our low-power microcontrollers and microprocessors can be found here: https://www.microchip.com/en-us/solutions/low-power

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

529,370

Comment

Scope 2 (location-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

328,915

Comment

Scope 2 (market-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Scope 2 emissions are calculated using location based emission factors.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 2: Capital goods

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

The emissions in this category for 2021 have been disclosed in C6.5 . These were not calculated/disclosed for the base year (2018).

Scope 3 category 6: Business travel

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

The emissions in this category for 2021 have been disclosed in C6.5 . These were not calculated/disclosed for the base year (2018).

Scope 3 category 7: Employee commuting

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

The emissions in this category for 2021 have been disclosed in C6.5 . These were not calculated/disclosed for the base year (2018).

Scope 3 category 8: Upstream leased assets

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip is in the process of evaluating its scope 3 emissions. These were not calculated/disclosed for the base year (2018).

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - Microchip's finished products typically don't require further processing before installation as they are sold directly or indirectly to the manufacturers of other products. Our products are then used in various applications and equipment by the manufacturers of other products and Microchip has limited exposure to this information making it difficult to calculate the associated scope 3 emissions.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

This is a massive undertaking as our product portfolio is broad and has far reaching diverse use cases. The emissions originating from such applications have not been evaluated for all our products yet.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Microchip's products are widely used in a variety of applications by our customers. Due to the expansive nature of the diverse use cases and lack of a specific standard for the semiconductor industry, it's challenging to calculate the associated scope 3 emissions. while maintaining a reasonable level of precision.

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - All our leased assets have been accounted for within our scope 1 and 2 emissions or other categories of our scope 3 emissions. Microchip does not lease downstream assets.

Scope 3 category 14: Franchises

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - Microchip does not franchise its product design, manufacturing, or distribution.

Scope 3 category 15: Investments

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - This topic is not material to our business. Emissions from our investments in joint ventures, subsidiaries, or associate companies were captured in our Scope 1 emissions

Scope 3: Other (upstream)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - All relevant emissions material to our business are accounted for in the previous categories.

Scope 3: Other (downstream)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

Comment

Not relevant - All relevant emissions material to our business are accounted for in the previous categories.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Mandatory Greenhouse Gas Reporting Rule
US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

407,724

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

The only sites for which Microchip can obtain an emission factor attributable to the local grid, a market-based factor, are our facilities in Thailand.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

305,162

Scope 2, market-based (if applicable)

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,219

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Scope 3 emissions within this category were calculated using Quantis Suite 2.0 Scope 3 Evaluator which uses expenditure within a category to estimate the relevant emissions. These emissions are estimates only based on financial data for the reporting period and the actual numbers may differ.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

612

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Scope 3 emissions within this category were calculated using Quantis Suite 2.0 Scope 3 Evaluator which uses expenditure within a category to estimate the relevant emissions. These emissions are estimates only based on financial data for the reporting period and the actual numbers may differ.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

20,400

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Scope 3 emissions within this category were calculated using Quantis Suite 2.0 Scope 3 Evaluator which uses expenditure within a category to estimate the relevant emissions. These emissions are estimates only based on financial data for the reporting period and the actual numbers may differ.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Microchip is in the process of evaluating its scope 3 emissions attributable to this category.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Microchip's finished products typically don't require further processing before installation as they are sold directly or indirectly to the manufacturers of other products. Our products are then used in various applications and equipment by the manufacturers of other products and Microchip has limited exposure to this information making it difficult to calculate the associated scope 3 emissions.

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

This is a massive undertaking as our product portfolio is broad and has far reaching diverse use cases. The emissions originating from such applications have not been evaluated for all our products yet.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Microchip's products are widely used in a variety of applications by our customers. Due to the expansive nature of the diverse use cases and lack of a specific standard for the semiconductor industry, it's challenging to calculate the associated scope 3 emissions. while maintaining a reasonable level of precision.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

All our leased assets have been accounted for within our scope 1 and 2 emissions or other categories of our scope 3 emissions. Microchip does not lease downstream assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Microchip does not franchise its product design, manufacturing, or distribution.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

This topic is not material to our business. Emissions from our investments in joint ventures, subsidiaries, or associate companies were captured in our Scope 1 emissions

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

All relevant emissions material to our business are accounted for in the previous categories.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

All relevant emissions material to our business are accounted for in the previous categories.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	32,689	IPCC Fourth Assessment Report (AR4 - 100 year) 💬1
CH4	206	IPCC Fourth Assessment Report (AR4 - 100 year) 💬2
N2O	16,591	IPCC Fourth Assessment Report (AR4 - 100 year) 💬3
HFCs	20,155	IPCC Fourth Assessment Report (AR4 - 100 year) 💬4
PFCs	226,658	IPCC Fourth Assessment Report (AR4 - 100 year) 💬5
SF6	44,097	IPCC Fourth Assessment Report (AR4 - 100 year) 💬6
NF3	21,727	IPCC Fourth Assessment Report (AR4 - 100 year) 💬7

💬1Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

💬2Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

💬3Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

💬4Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

💬5Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

💬6Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

[7]Gross global scope 1 emissions by gas type provided for our three major US fabs which account for 96% of our scope 1 emissions.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	394,208
Canada	105
Germany	3,106
France	9,132
United Kingdom of Great Britain and Northern Ireland	80
Italy	53
India	169
Philippines	448
Thailand	423

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Fabs	389,528
Probe	167
Assembly	313
Final Test	391
Others - Corporate HQ, Design Centers, Distribution, Light Industrial Assembly	17,325

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude

Tempe, AZ (Fab 2)	82,708	33.415	-111.97
Gresham, OR (Fab 4)	148,612	45.519	-122.446
Colorado Springs, CO (Fab 5)	158,209	38.789	-104.806

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Front-end operations	389,528
Back-end operations	871

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	1,510	
China	678	
France	448	
Germany	2,355	
India	6,019	
Ireland	1,645	
Israel	294	
Malaysia	366	
Philippines	42,483	
Romania	406	
Taiwan, China	624	
Thailand	71,849	
United Kingdom of Great Britain and Northern Ireland	416	
United States of America	175,771	
Viet Nam	35	
Hong Kong SAR, China	208	
Italy	14	
Australia	41	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Fabs	150,108	
Probe	21,795	
Assembly	40,808	
Final Test	51,084	
Others - Corporate HQ, Design Centers, Distribution, Light Industrial Assembly	41,367	

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Tempe, AZ (Fab 2)	32,608	
Gresham, OR (Fab 4)	28,210	
Colorado Springs, CO (Fab 5)	89,290	
Chandler, AZ (Corporate HQ)	9,282	
Philippines (MPHIL 1, MPHIL 2, PTC)	42,483	
Thailand (MMT, MTHAI)	71,849	

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)

Front-end operations	150,108	
Back-end operations	113,687	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change		
Other emissions reduction activities	1,928	Decreased	0.3	Savings due to energy conservation projects
Divestment	0	No change		
Acquisitions	0	No change		
Mergers	0	No change		
Change in output	59,138	Increased	9	Emissions in 2021 increased compared to 2020 due to increased production caused by high semiconductor demand. However, our GHG intensity decreased by 15%.
Change in methodology	0	No change		
Change in boundary	0	No change		
Change in physical	0	No change		

operating conditions				
Unidentified	0	No change		
Other	0	No change		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		260,529	260,529
Consumption of purchased or acquired electricity			728,589	728,589
Consumption of purchased or acquired cooling				
Consumption of self-generated non-fuel renewable energy				
Total energy consumption			989,118	989,118

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

4,551

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

The energy use is currently not segregated based on use case

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

255,978

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

The energy use is currently not segregated based on use case

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

260,529

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	4,551	4,551		
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

None (no active purchases of low-carbon electricity, heat, steam or cooling)

Energy carrier

Low-carbon technology type

Country/area of low-carbon energy consumption

Tracking instrument used

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

Country/area of origin (generation) of the low-carbon energy or energy attribute

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

We're looking into acquiring low carbon energy for our facilities as part of our net zero roadmap.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

468,296

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Canada

Consumption of electricity (MWh)

11,421

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Germany

Consumption of electricity (MWh)

6,728

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Norway

Consumption of electricity (MWh)
227

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Romania

Consumption of electricity (MWh)
1,260

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
France

Consumption of electricity (MWh)
8,318

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Ireland

Consumption of electricity (MWh)

5,749

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Italy

Consumption of electricity (MWh)

48

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

1,993

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

India

Consumption of electricity (MWh)

8,343

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
China

Consumption of electricity (MWh)
2,176

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Hong Kong SAR, China

Consumption of electricity (MWh)
340

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Viet Nam

Consumption of electricity (MWh)
78

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Israel

Consumption of electricity (MWh)
595

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Australia

Consumption of electricity (MWh)
60

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Malaysia

Consumption of electricity (MWh)
556

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Thailand

Consumption of electricity (MWh)
154,149

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area
Philippines

Consumption of electricity (MWh)
58,251

Consumption of heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Other, please specify

Project cost of carbon abatement

GHG Scope

Scope 1

Application

Determination of budgetary capital cost for abating CO2e from high CO2e-emitting process tools (CVD chamber clean, for example). Allows value comparison of cost/benefit when considering expanding Point-of-Use abatement scenarios to lesser emitting tools or broad process tool families (plasma etch and plasma ashing, for example). At present, only CVD tools are connected to high temperature POUs with GHG abatement capability.

Actual price(s) used (Currency /metric ton)

85

Variance of price(s) used

$25 - $85/metric tonne CO2e from CVD tools. Connected tools vary between three and six connected process chambers. CVD chamber clean PFC gas varies between types of CVD process tools (C2F6 or C3F8).

Type of internal carbon price

Other, please specify

Actual cost/total CO2e

Impact & implication

(POU capital equipment + installation cost)/total theoretical metric tonnes CO2e generated by all connected process tool chambers. Variance will occur by actual processes connected: (different CVD chamber clean gases disassociate to varying degrees - refer to USEPA GHG Reporting Rule process emission factors). Also, variance will occur depending on amount of sub-Fab space: floor space must be cleared/rearranged in older, more fully built-out Fabs vs. Fab with available sub-Fab floor space. In summary, both numerator and denominator are variable, but the type of PFC gas (denominator) and theoretical quantity of CO2e (denominator) drive the final metric. More connected chambers for a set capital cost drive the metric downward.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Other, please specify

Supplier purchase order terms and conditions

Climate related stipulations are included within our supplier purchase order terms and conditions

Details of engagement

Other, please specify

Supplier purchase order terms and conditions

% of suppliers by number

100

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

All suppliers are required to adhere to the climate related terms and conditions included in our purchase orders.

Impact of engagement, including measures of success

All suppliers are required to adhere to the climate related terms and conditions included in our purchase orders.

Comment

Suppliers are required to make representations with respect to any toxic or hazardous substances delivered (the term "toxic" shall have the definition set out in the resources Conservation and Recovery Act, 42 U.S.C 6901 et seq. and the term "hazardous substances" shall have the definition set out in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. No Class I or Class II Ozone Depleting Substances, polychlorinated or polybrominated biphenyl or phenyl ethers, dioxins or their analogs, or asbestos containing materials are supplied to us.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with our employees on internal energy and water conservation projects that are in line with our climate goals and targets. These projects are advertised through our EHS notice boards and communication updates. Ex. Employees who drive AFVs or carpool enter a draw for designated carpool parking spots. Recycling initiatives are also incentivized in some locations.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Suppliers are required to make representations with respect to any toxic or hazardous substances delivered (the term "toxic" shall have the definition set out in the resources

Conservation and Recovery Act, 42 U.S.C 6901 et seq. and the term "hazardous substances" shall have the definition set out in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. No Class I or Class II Ozone Depleting Substances, polychlorinated or polybrominated biphenyl or phenyl ethers, dioxins or their analogs, or asbestos containing materials are supplied to us.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

Mechanisms for monitoring compliance with this climate-related requirement

Certification

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Other, please specify

All suppliers are required to adhere to the climate related terms and conditions included in our purchase orders.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Our 2040 Net Zero target is aligned with the 1.5 scenario

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Microchip engages with state regulatory bodies and trade associations to influence policy on GHG reduction targets. This helps us to align our climate strategy and targets with current and upcoming regulatory obligations.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Fab Owners Association (FOA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

Page/Section reference

Refer to sections "Our Company", "Sustainability Approach", and "Our Planet" within the 2021 sustainability report.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, and we do not plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, and we do not plan to undertake any biodiversity-related actions

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President, Back-end Operations	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Microchip is currently assessing different allocation methods to determine the best way way to assign its emissions to individual customers.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Products vary in complexity, size, use case etc. which dictate the process emissions. Simply allocating emissions based on spend data will not yield accurate results.
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	Our customers operate and use our products in different geographies that have different emission factors which makes it challenging to assign a single factor for the purpose of our calculations.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms