

**Company Name** Microchip Technology  
**Industry** ICT (Own operations and Supply Chain)  
**Overall Score (\*)** 5.6 out of 100

Theme Score	Out of	For Theme
0.8	10	A. Governance and Policies
0.2	25	B. Embedding Respect and Human Rights Due Diligence
0.8	15	C. Remedies and Grievance Mechanisms
0.3	20	D. Performance: Company Human Rights Practices
1.1	20	E. Performance: Responses to Serious Allegations
2.4	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: General HRs commitment: In its Corporate Responsibility, the Company states that "Microchip Technology Inc. and its worldwide subsidiaries and affiliates ("Microchip") support human rights and social responsibility." [Corporate Responsibility, 2016: <a href="http://microchip.com">microchip.com</a>]</li> <li>• Met: UNGC principles 1 &amp; 2: In its CSR, the Company states that "Microchip Technology Incorporated is dedicated to protecting human rights. This is demonstrated in our continued involvement with the United Nations Global Compact (UNGC). " Moreover, there is a letter in which the Company commits to the 10 UNGC principles. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a> &amp; UNGC Letter of commitment, 2013: <a href="http://s3-us-west-2.amazonaws.com">s3-us-west-2.amazonaws.com</a>]</li> <li>• Not met: UDHR</li> <li>• Not met: International Bill of Rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs</li> <li>• Not met: OECD</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: ILO Core: The Company states that "Microchip complies with all legal requirements related to labor, including prohibitions on forced or compulsory labor, child labor, and discrimination...[]" and "While none of Microchip's employees are unionized, we do acknowledge the right to collective bargaining</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>where allowed by law." However, we did not find evidence of a commitment to the ILO Core Labour Standards. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 3-6: The Company has joined the UNGC principles in 2013. The company state "We are committed to being a company of which our stakeholders can be proud, and pleased to be counted among other like-minded signatories to the UN Global Compact. [UNGC Letter of commitment, 2013: <a href="http://s3-us-west-2.amazonaws.com">s3-us-west-2.amazonaws.com</a>]</li> <li>• Not met: Explicitly list ALL four ILO for ICT suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: The Company states that "Microchip complies with all legal requirements related to labor, including prohibitions on forced or compulsory labor, child labor, and discrimination. " and "While none of Microchip's employees are unionized, we do acknowledge the right to collective bargaining where allowed by law. " However, although freedom of association is a principle of the UNGC, to which the Company is committed, there is no statement reinforcing the explicit commitment to freedom of association. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company states that "At Microchip, we are exceptionally committed to ensuring that our facilities comply with all local and national laws and regulations as they relate to the health and safety of our employees." [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Met: H&amp;S applies to ICT suppliers: The Company states that 'At Microchip, we are exceptionally committed to ensuring that our facilities comply with all local and national laws and regulations as they relate to the health and safety of our employees. In 2016 we initiated a process by which we presented Microchip's policies on labor practices to our major suppliers and reinforced the requirement that these policies be adhered to across our supply chain'. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: working hours for workers</li> <li>• Not met: Working hours for ICT suppliers</li> </ul>
A.1.3.ICT.a	Commitment to responsible sourcing of minerals	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company states that "Microchip Technology Incorporated, to include all its subsidiaries, share the global concern regarding the human tragedies occurring in the Democratic Republic of the Congo and the adjoining countries (Dodd-Frank "Covered Countries") associated with the mining of columbite-tantalite (tantalum), cassiterite (tin), wolframite (tungsten), and gold (3TG)." However, it is not clear whether the commitment is extensive to high risk areas beyond DRC and adjoining countries. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Based on OECD Guidance</li> <li>• Not met: Requires responsible mineral sourcing from suppliers: Microchip "is diligently working toward a goal of assuring our products are manufactured and are sourced from socially responsible supply chains. In pursuit of that goal Microchip is Providing information to suppliers and expecting each to source materials from socially responsible supply chains and to accurately and comprehensively disclose their list of SOR, either at company level or specific to those materials incorporated into Microchip's products." However, it is not clear if the commitment for suppliers includes referents to high risk areas and is based on the OECD guidance. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> <li>• Not met: Suppliers expected to make similar requirements of their suppliers</li> </ul>
A.1.3.ICT.b	Commitment to respect human rights particularly relevant to the industry (ICT)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's Rights</li> <li>• Not met: Children's Rights</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to stakeholder engagement: The Company states that "We welcome thoughtful, constructive dialogue with our civil society counterparts and</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			their insights regarding how we can best improve our practices to mitigate any potential negative impacts on society and the environment." However, it is not clear if the company has a commitment to stakeholder engagement. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a> ] Score 2 <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement</li> </ul>
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits to remedy</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with ICT suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Expects ICT suppliers to reflect company HRD commitments</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: CEO or Board approves policy</li> <li>• Not met: Board level responsibility for HRs</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO</li> </ul>
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs</li> <li>• Not met: Examples or trends re HR discussion</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2, the Company joined the UN Global Compact [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Senior responsibility for HR</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Not met: Day-to-day responsibility for ICT in supply chain</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Senior manager incentives for human rights</li> <li>• Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: HR risks is integrated as part of enterprise risk system</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Audit Ctte or independent risk assessment</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions</li> <li>• Not met: Communicates its policy to all workers in own operations: The Company states that "Microchip invests in our employees' futures, by ensuring access to our training is available in native languages and during times that accommodate our global presence and workforce. " However, it is not clear if the company's training cover Human Rights. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions</li> <li>• Not met: Communication of policy commitments to stakeholder: The Company states that "We spend a significant amount of time understanding communities' and 'advocates' concerns and providing information about our policies and practices" However, the Company does not describe how it communicates the commitments to stakeholders. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to all 4 ILO core conventions for suppliers</li> <li>• Not met: Communicating policy down the whole ICT supply chain</li> <li>• Not met: Requiring ICT suppliers to communicate policy down the chain: The Company states that "For several years, we have engaged our suppliers on the topic of sustainability. Last year we introduced new expectations around labor and human rights to our major suppliers, and in 2017 expanded this work to include an auditing component." However, it is not clear how the company communicates their policies to suppliers. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The Company states that "Microchip's Code of Business Conduct and Ethics requires compliance to laws and ethical behavior by its employees, agents, contractors, and consultants. The Code includes reporting procedures and accountability provisions that may include immediate termination of employment or business relationships as permitted by law." Moreover, the Company states that "In 2016 we initiated a process by which we presented Microchip's policies on labor practices to our major suppliers and reinforced the requirement that these policies be adhered to across our supply chain. This process continued to evolve in 2017, and now includes an auditing component that requires subcontractors to provide written responses to standardized questions geared toward showing compliance with required labor practices." [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Including on ICT suppliers</li> </ul>
B.1.5	Training on Human Rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Not met: Trains all workers on HR policy commitments: The Company states that "Microchip's Compliance with Laws policies require compliance with laws by its employees, agents, contractors, and consultants. Microchip provides ethics training to employees, which includes an obligation to comply with laws and report violations of laws." However, it is not clear if the training includes HR issues and if it covers all workers. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Trains relevant ICT managers including procurement</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• Not met: Monitoring implementation of HR policy commitments</li> <li>• Not met: Monitoring ICT suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• Not met: Describes corrective action process</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of ICT supply chain monitored</li> </ul>
B.1.7	Engaging business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: HR affects ICT selection of suppliers: According to its CSR report, "Capabilities and quality standards are surveyed and reviewed at the time of supplier selection, as well as during quarterly reviews." However, no evidence was</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			found on how human rights issues affect selection of suppliers. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a> ] <ul style="list-style-type: none"> <li>• Not met: HR affects on-going ICT supplier relationships</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Working with ICT suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems</li> <li>• Not met: Frequency and triggers for engagement</li> <li>• Not met: Workers in ICT SC engaged</li> <li>• Not met: Communities in the ICT SC engaged</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Not met: Identifying risks in ICT suppliers: Regarding the risks in IT supplier, the Company mentioned in its CSR Report that "assessing vendors for environmental, social, and governance issues and taking appropriate steps to mitigate risk" is a topic that emerged as one of their most important sustainability issues, both to their stakeholders and for Microchip's business success. However, the process to identify the human rights risk is not described. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Not met: Public disclosure of salient risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in ICT supply chain</li> <li>• Not met: Example of Actions decided</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Including ICT suppliers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Channel accessible to all workers: According to its policy, the Company states that "Microchip has grievance mechanisms whereby employees, suppliers, and others can report suspected non-compliance with legal requirements and suspected non-compliance with Microchip's Code of Business Conduct &amp; Ethics." However, it is not clear if the company's Code of Business Conduct and Ethics cover Human Rights. [Form SD, 2019: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Not met: Expect ICT supplier to have equivalent grievance systems</li> <li>• Not met: Opens own system to ICT supplier workers</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Grievance mechanism for community</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects ICT supplier to have community grievance systems</li> <li>• Not met: ICT supplier communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: ICT suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed</li> <li>• Not met: Who is handling the complaint</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: The company state that "reprisal, threats, retribution, or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code of Business Conduct and Ethics, or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited. The Company will investigate reports of retaliation, and will discipline individuals suspected of retaliating up to and including termination, as appropriate" [Code of Business Conduct and Ethics, Not mentioned: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Met: Practical measures to prevent retaliation: The company offer the option to submitted complaints anonymously to their Microchip Technology Incorporated, P.O. Box. [Code of Business Conduct and Ethics, Not mentioned: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects ICT suppliers to prohibit retaliation</li> </ul>
C.6	Company involvement with State-based judicial and non-	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
	judicial grievance mechanisms		<ul style="list-style-type: none"> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remediating adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

## D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.1.a	Living wage (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage target timeframe: The Company only indicates that "The United Nations Global Compact include specific labor standards related to freely chosen employment, child labor avoidance, working hours, wages, benefits, and humane treatment". There are no further details regarding living wage. [Corporate Responsibility, 2016: <a href="http://microchip.com">microchip.com</a>]</li> <li>• Not met: Describes how living wage determined</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Achieved payment of living wage</li> <li>• Not met: Regularly review definition of living wage with unions</li> </ul>
D.4.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.4.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> <li>• Not met: Positive incentives to respect human rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.4.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why</li> </ul>
D.4.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Does not use child labour: The Company states that "Microchip Technology Incorporated is dedicated to protecting human rights. This is demonstrated in our continued involvement with the United Nations Global Compact (UNGC). The UNGC promulgates 10 principles, with specific focus on labor standards related to freely-chosen employment, child labor avoidance (...)" The Company states that "Microchip complies with all legal requirements related to labor, including prohibitions on forced or compulsory labor, child labor, and discrimination. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Age verification of job applicants and workers: The Company only states that " Additionally, with very few exceptions for internship-type programs in the United States which are allowed by law, Microchip requires all employees to be 18 years of age or older" [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remediation if children identified</li> </ul>
D.4.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts</li> <li>• Not met: How working with suppliers on child labour</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Pays workers in full and on time</li> <li>• Not met: Payslips show any legitimate deductions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.4.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Debt and fees rules in codes or contracts</li> <li>• Not met: How working with suppliers on debt &amp; fees</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Does not retain documents or restrict movement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How sure about agencies or brokers</li> </ul>
D.4.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Free movement rules in codes or contracts</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company states that "While none of Microchip's employees are unionized, we do acknowledge the right to collective bargaining where allowed by law". This statement is not strong enough in order to meet the indicator requirement. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Discloses % covered by collective bargaining</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
D.4.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: FoA &amp; CB rules in codes or contracts</li> <li>• Not met: How working with suppliers on FoA and CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: The Company discloses the injury rate in its CSR Report of 1.10; 1.10; 1.20 for the years of 2015, 2016 and 2017 respectively. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Lost days or near miss disclosure</li> <li>• Not met: Fatalities disclosures</li> <li>• Not met: Occupational disease rates</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance</li> <li>• Not met: Met targets or explains why not</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Sets out clear Health and Safety requirements</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> <li>• Not met: Occupational disease rates</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.8.a	Women's rights (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence</li> <li>• Not met: Working conditions take account of gender</li> <li>• Not met: Equality of opportunity at all levels</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Meets all of the requirements under score 1</li> </ul>
D.4.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.9.a	Working hours (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Respects max hours, min breaks and rest periods in its own operations: The Company states that "The UNGC promulgates 10 principles, with specific focus on labor standards related to freely-chosen employment, child labor avoidance, working hours, wages, benefits, and humane treatment. Microchip continues to ensure alignment with these labor standards through our policies and business practices." However, the Company does not explicit indicates if it respects regulations concerning maximum hours or rest periods. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How it implements and checks this</li> </ul>
D.4.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Working hours in codes or contracts</li> <li>• Not met: How working with suppliers on working hours</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing due diligence in supplier contracts</li> <li>• Not met: Builds capacity with smelters/refiners: The Company states that "We are members of the Responsible Minerals Initiative ("RMI") that engages Smelters and Refiners ("SOR") and conducts audits of the SOR against responsible minerals sourcing protocols. All smelters in our integrated circuits supply chain were listed on the RMI-compliant smelter list. It is Microchip's policy to conduct independent smelter due-diligence research on any smelter in our supply chain where we have reason to believe there might unreasonable sourcing" However, there is not enough evidence regarding how they help smelters with capacity building. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Disclosure of smelter information in supplier requirements: The Company states that it expects "each [supplier] to source materials from socially responsible supply chains and to accurately and comprehensively disclose their list of SOR, either at company level or specific to those materials incorporated into Microchip's products.", and that it includes "a conflict minerals flow-down clause in new and renewed supplier contracts and purchase terms and conditions". However, it is not clear whether the requirement to disclose to the Company updated smelter/refiner information is included into commercial contracts/written agreements. [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Risk identification and disclosure in line with OECD Guidance</li> <li>• Not met: Identification of smelter/refiners and OECD due diligence</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Discloses smelters/refiners judged in line with OECD due diligence</li> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>
D.4.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes mineral risk management plan for supply chain</li> <li>• Not met: Monitoring, tracking and whether better risk prevention/mitigation over time: The Company states that " Participating as a member of the Responsible Minerals Initiative ("RMI") that engages Smelters and Refiners ("SOR") and conducts audits of the SOR against responsible minerals sourcing protocols. The RMI maintains lists of SOR that have successfully completed their responsible minerals sourcing audits (including audits by similar industry-specific trade organizations) or are actively participating with the RMI or similar organization ("Conformant" and "active" smelter lists, respectively), and the RMI publishes the industry-standard Conflict Minerals Reporting Template for conducting a Reasonable Country of Origin Inquiry ("RCOI")" However the Company indicates that the sourcing are audited, there is no evidence that they track or monitor risk prevention and whether it has improved over time. [Form SD, 2019: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Supplier and stakeholders engaged in risk management strategy</li> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>

### E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 4.47 out of 80 points scored in themes A-D & F has been applied to produce a score of 1.12 out of 20 points for theme E.

### F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	0.38 out of 4	Out of a total of 52 indicators assessed under sections A-D of the benchmark, Microchip Technology made data public that met one or more elements of the methodology in 5 cases, leading to a disclosure score of 0.38 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company reports on GRI as it can be seen in its CSR Policy [Sustainability Report, 2017: <a href="http://ww1.microchip.com">ww1.microchip.com</a>]</li> <li>• Not met: Company reports on SASB</li> <li>• Not met: Company reports on UNGPRF</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	Microchip Technology met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.4.1.a: Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.4.7.a: Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.