



Microchip Technology Incorporated

Reasonable Country of Origin Inquiry (RCOI) Process
for Building a Conflict Minerals Reporting Template

06/29/2020



Microchip Technology Incorporated's RCOI Process Description for Integrated Circuits Manufactured by Microchip and Its Subsidiaries

Microchip believes one of the fundamental goals of the SEC Conflict Minerals Rules is to increase supply chain transparency concerning how companies are sourcing tin, tantalum, tungsten, and gold (3TG) within the supply chain. In furtherance of that aspiration, Microchip has prepared this document along with the ***RCOI for Integrated Circuits Manufactured by Microchip Flow Chart*** to provide a clear understanding of the steps we deploy to build a CMRT prior to public disclosure.

Please see the following steps and general description of the result that each step accomplishes to further our RCOI.

1. Determine all relevant (in-scope) suppliers in Microchip's integrated circuit (IC) supply chain
 - a. Microchip's supplier base is filtered to identify only suppliers that provide Microchip with products that contain 3TG, which is necessary to the functionality or production of the company's products. Only suppliers meeting this requirement are incorporated in our RCOI survey.
2. Prepare RCOI supplier Conflict Minerals Document Package (CMDP)
 - a. Microchip believes that communication is vital to our RCOI. To support our efforts, Microchip develops a CMDP that consists of Microchip's outreach letter, a list of prohibited smelters that may not be used for Microchip products, a supplier instructions/training manual PowerPoint, and the latest version of the RMI's Conflict Minerals Reporting template (CMRT).
3. Send First bi-annual RCOI CMDP to each supply chain member
 - a. The CMDP created in step 2 is sent to all relevant (in-scope) suppliers after the RMI has completed their bi-annual removal of Not Eligible SORs from the public Conformant lists.¹
 - b. Suppliers are provided clear guidance related to Microchip's expectations and the associated requirements of our conflict minerals program.
4. Collect CMRTs from suppliers
 - a. Regular communication occurs between Microchip's assigned conflict minerals compliance team and each supplier, until an administratively complete and acceptable CMRT has been received by Microchip.
5. CMRTs are reviewed for administrative completeness
 - a. Any CMRT found to be incomplete or not in conformance with Microchip's policies is rejected. A description of why the CMRT was rejected is then transmitted to the supplier, and communication with the supplier, pursuant to step 4 is reinitiated until a revised CMRT is provided by the supplier.

¹ All Not Eligible SORs will be removed from the public Conformant lists, per RMI's bi-annual removal policy. This will include:

- Permanently ceased operations
- Any SORs that temporarily ceased operations and have been out of operation for at least one year.



6. Consolidation and assessment of all supplier CMRTs
 - a. Microchip consolidates all supplier provided CMRTs and removes any duplicative or unverifiable sources that are not identified as smelters or refiners by the RMI.
7. Review of unique smelter list to ensure all non-RMI Listed Smelters have been removed
 - a. Supplier-specific communications are prepared requesting the supplier provide an explanation and/or remove the smelter(s) from the products or materials supplied to Microchip and revise their existing CMRT to remove any non-RMI Listed Smelters that may have been declared then subsequently removed.
 - b. Under certain limited circumstances, exceptions may be made for retaining a smelter in our supply chain after it has been removed from the Conformant Smelter list maintained by the RMI (as is required by Microchip Policy). Specifically, a supplier may not be pressed to remove a smelter from Microchip's IC supply chain that the RMI has removed from the Conformant Smelter lists if the following condition are satisfied:
 - i. Microchip's third-party due diligence consultant provided evidence the smelter presents no verifiable risk of irresponsible sourcing within the Covered Countries; and
 - ii. The smelter has publicly committed to remediate deficiencies and join/rejoin the RMI RMAP within a reasonable amount of time; or
 - iii. The RMI RMAP recognizes the smelter's commitment to remediate sourcing discrepancies and lists the smelter on a case-specific status category indicating the smelter is undergoing remedial activities.
8. Prepare smelter or refiner list for sourcing due diligence
 - a. Per Microchip's policy, RMI-conformant, and other RMI recognized organizations (e.g. TI-CMC, LBMA) conformant smelter lists are currently accepted. Non-listed or Active smelters are not accepted. Our primary focus is to assure that our integrated circuit supply chain drives toward 100% RMI-conformant smelters.
9. Publish First bi-annual summary CMRT
 - a. An interim CMRT is published to provide investors, customers, and other interested stakeholders with a view of Microchip's progress.
10. Send second bi-annual RCOI CMDP to each IC supply chain member
 - a. The CMDP created in step 2 is sent to all relevant (in-scope) suppliers after the RMI has completed their bi-annual removal of Not Eligible SORs from the public Conformant lists.²
 - b. Suppliers are provided clear guidance related to Microchip's expectations and the associated requirements of our conflict minerals program.

² All Not Eligible SORs will be removed from the public Conformant lists, per RMI's bi-annual removal policy. This will include:

- Permanently ceased operations
- Any SORs that temporarily ceased operations and have been out of operation for at least one year.



- 11. Collect CMRTs from suppliers**
 - a. Regular communication occurs between Microchip's assigned conflict minerals compliance team and each supplier, until an administratively complete and acceptable CMRT has been received by Microchip.
- 12. CMRTs are reviewed for administrative completeness**
 - a. Any CMRT found to be incomplete or not in conformance with Microchip's policies is rejected. A description of why the CMRT was rejected is then transmitted to the supplier, and communication with the supplier, pursuant to step 4 is reinitiated until a revised CMRT is provided by the supplier.
- 13. Consolidation and assessment of all supplier CMRTs**
 - a. Microchip consolidates all supplier provided CMRTs and removes any duplicative or unverifiable sources that are not identified as smelters or refiners by the RMI.
- 14. Review of unique smelter list to ensure all non-RMI Listed Smelters have been removed**
 - a. Supplier-specific communications are prepared requesting the supplier provide an explanation and/or remove the smelter(s) from the products or materials supplied to Microchip and revise their existing CMRT to remove any non-RMI Listed Smelters that may have been declared then subsequently removed.
 - b. Under certain limited circumstances, exceptions may be made for retaining a smelter in our supply chain after it has been removed from the Conformant Smelter lists maintained by the RMI (as is required by Microchip Policy). Specifically, a supplier may not be pressed to remove a smelter from Microchip's IC supply chain that the RMI has removed from the Conformant Smelter lists if the following condition are satisfied:
 - i. Microchip's third-party due diligence consultant provided evidence the smelter presents no verifiable risk of irresponsible sourcing within the Covered Countries; and
 - ii. The smelter has publicly committed to remediate deficiencies and join/rejoin the RMI RMAP within a reasonable amount of time; or
 - iii. The RMI RMAP recognizes the smelter's commitment to remediate sourcing discrepancies and lists the smelter on a case-specific status category indicating the smelter is undergoing remedial activities.
- 15. Prepare smelter or refiner list for sourcing due diligence**
 - a. Per Microchip's policy, RMI-conformant, and other RMI recognized organizations (e.g. TI-CMC, LBMA) conformant smelter lists are currently accepted. Non-listed or Active smelters are not accepted. Our primary focus is to assure that our integrated circuit supply chain drives toward 100% RMI-conformant smelters.
- 16. Final due diligence begins**
 - a. Microchip conducts conflict status determinations as part of our preliminary Due Diligence on all remaining smelters in Microchip's integrated circuit supply chain.



Final due diligence begins after completion of second bi-annual RCOI leading to the anticipated publication of a final CMRT suitable for customers to use for U.S. SEC reporting. The list of smelters or refiners published on the final CMRT is static and is leveraged for Microchip's own U.S. SEC filings. This CMRT is posted on Microchip's conflict minerals webpage, replacing any previous, CMRT. The outcome and due diligence methodologies undertaken are disclosed in Microchips' Conflict Minerals Report, which is available on our Conflict Minerals Resource Page, see www.microchip.com/conflictminerals.



All months indicated in this flow chart refer to the last day of the month specified.

