

Company Name Microsoft Corporation
Industry ICT (Supply Chain only)
Overall Score (*) 42.7 out of 100

Theme Score	Out of	For Theme
3.1	10	A. Governance and Policies
6.5	25	B. Embedding Respect and Human Rights Due Diligence
3.8	15	C. Remedies and Grievance Mechanisms
7.5	20	D. Performance: Company Human Rights Practices
17.5	20	E. Performance: Responses to Serious Allegations
4.4	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"> Met: General HRs commitment: The Company is 'committed to respecting and promoting human rights to ensure that technology plays a positive role across the globe.' [Standards of business conduct, June 2017: google.com] Met: UNGC principles 1 & 2: The Company has been a signatory of the UN Global Compact since 2006. [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] Met: UDHR: The Company respects the human rights defined in the Universal Declaration of Human Rights. [Human Rights statement, 26/4/2019: microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> Not met: UNGPs: The Global Human Rights Statement is aligned with the UNGPs, however, 'aligned with' is not considered a formal statement of commitment to the initiative, according to CHRB wording criteria. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com] Not met: OECD: The Company states its operations are 'informed by' the OECD Guidelines for Multinational Enterprises, however, 'informed by' is not considered a formal statement of commitment to the initiative, according to CHRB wording criteria. [Human Rights statement, 26/4/2019: microsoft.com]
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: UNGC principles 3-6: The Company has been a signatory of the UN Global Compact since 2006. [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Explicitly list ALL four ILO for ICT suppliers: The Company explicitly lists the ILO Core for its suppliers in its Supplier Social and Environmental Accountability Manual. This includes discrimination, forced labour, comply with all local and national minimum working age laws or regulations and shall not use child labor. 'Suppliers shall respect workers' rights to freedom of association and collective bargaining. Employees must be free to join associations of their own choice and select their representatives according to local and international practices'. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Score 2 • Not met: Explicit commitment to All four ILO Core: The Company has a statement of commitment to non-discrimination.' Additionally, the Company states on its website that its Human rights statement and Global Compact participation demonstrates commitment to the ILO Declaration (and a footnote lists which are the ILO core). However, this statement refers to the HR Statement and the participation in the Global Compact. Participation to the Global Compact is not considered sufficient, and the HR statement that the Company refers to as document demonstrating commitment, does not include an explicit commitment to each ILO core area. [Standards of business conduct, June 2017: google.com & Empowering our employees, 28/8/2019: microsoft.com] • Met: Respect H&S of workers: In relation to Health and Safety, the Company describes the following: 'Microsoft is committed to supporting our employees' well-being with comprehensive benefits to help employees maximize their physical, financial, and social wellness. In addition, our Occupational Health and Safety program integrates appropriate practices into our operations and works for continual improvement in employee health and safety. As part of this commitment: Professionals assess the safety risks of work activities and engage with workers and management to implement safe work practices, hazard controls, and training to minimize safety risks. New and existing workspaces are periodically assessed to ensure they are constructed with sound design-for-safety principles and that controls are implemented effectively. Microsoft involves employees and managers in Health and Safety Committees specific to our datacenters, retail operations, and office locations where required.' [Empowering our employees, 28/8/2019: microsoft.com] • Met: H&S applies to ICT suppliers: 'Microsoft Suppliers are expected to integrate sound health and safety management practices into all aspects of business. Suppliers or vendors working within the factory premises need to align with the Microsoft Health and Safety management system and all relevant procedures.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Not met: working hours for workers • Not met: Working hours for ICT suppliers: The supplier social and environmental accountability manual states that: 'Suppliers shall ensure that workers are not required to work more than the maximum daily/weekly/monthly hours set by local and national laws and regulations or as set in the freely negotiated and legitimate collective agreement. A work week must not exceed 60 hours per week, including overtime, except in emergency or unusual situations. Emergency or Unusual Situations: Situations that are unpredictable events that require overtime in excess of Microsoft expectations. Such events cannot be planned or foreseen. [...]' Suppliers shall ensure overtime is voluntary and paid in accordance with local and national laws and regulations, and workers shall not be penalized for refusing overtime work.' No evidence found, however, to international standards in terms of standard work week (without overtime). [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com]
A.1.3.ICT.a	Commitment to responsible sourcing of minerals	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"> • Not met: Responsible mineral sourcing in conflict areas: The Company 'is committed to the responsible sourcing of raw minerals used in [its] hardware products.' The Conflict minerals report states that 'we strive to avoid harming communities through an inadvertent de facto embargo of minerals from Conflict Affected and High Risk areas ("CAHRAs"), including the Democratic Republic of the Congo ("DRC") or DRC-adjointing countries'. However, no evidence found of formal commitment to responsible sourcing (respecting human rights and not financing conflict/ benefitting armed groups) from conflict-affected and high risk areas, including beyond DRC and adjoining countries. [Responsible sourcing (updated),

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>2/9/2019: microsoft.com & Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com</p> <ul style="list-style-type: none"> • Met: Based on OECD Guidance: The Company indicates that Responsible Sourcing of Raw materials related programs 'are framed by the five steps of the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance)'. [Responsible sourcing (updated), 2/9/2019: microsoft.com & Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com] • Met: Requires responsible mineral sourcing from suppliers: The Company 'requires its suppliers to source responsibly, including in regard to raw materials. The overarching requirements are set forth in our Supplier Code of Conduct and Responsible Sourcing of Raw Material Policy (RSRM), which are incorporated into our hardware and packaging contracts with supplier. Suppliers are expected to incorporate these requirements into their own sourcing policies and contracts with their sub-tier suppliers. For conflict minerals, Suppliers should follow the steps set out by the Organization for Economic Co-operation and Development (OECD).' These are contractual obligations laid out in the Social and Environmental Accountability Manual', which include issues like human rights violation, child labour, conflict, corruption and environment'. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responsible conflict mineral sourcing covers all minerals: As part of its "vision", in the Responsible sourcing of raw materials policy, the Company states that "we envision a future where all raw materials, unbounded by specific materials or locations are sourced from responsible suppliers". However, no details found of this being part of the current commitment. [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com] • Not met: Suppliers expected to make similar requirements of their suppliers: 'Suppliers shall ensure that they and their sub-suppliers operate in conformance to all requirements while working on behalf of Microsoft.' However, as indicated above, no evidence [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com]
A.1.3.ICT.b	Commitment to respect human rights particularly relevant to the industry (ICT)	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"> • Met: Women's Rights: See below. • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights: The Company has expectations relating to non-discrimination and child labor laws, but no specific reference of commitment to respecting women's rights, migrant's rights or child rights could be found. [Microsoft Supplier Code of Conduct, June 2016] <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: The Company is a member of the Women's Empowerment Principles and is consistent with the relevant human rights defined in the Convention on the Elimination of all Forms of Discrimination Against Women. [Human Rights statement, 26/4/2019: microsoft.com] • Not met: Expecting suppliers to respect these rights: The company expects 'employees, partners, suppliers, customers and governments to share this commitment to ensure that information technology and our business respects and promotes human rights.' However, no specific reference found to the expectation of suppliers upholding the Women's Empowerment Principles or the Convention on the Rights of the Child, or the convention on migrant workers. [Global Human Rights Statement: query.prod.cms.rt.microsoft.com]
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"> • Not met: Commits to stakeholder engagement: Although the Company indicates that 'responsible engagement with people and governments in these difficult environments often holds greater promise for advancement of human rights', no evidence found of commitment to engage with affected stakeholders (stakeholders who might be, or are, impacted by the Company's activities). [Global Human Rights Statement: query.prod.cms.rt.microsoft.com] • Not met: Regular stakeholder engagement: The Company further states 'Key factors in making this approach a success include the use of a multi-stakeholder engagement, including engagement with local stakeholder groups, using our leverage to influence other primary actors, and undertaking due diligence to identify and mitigate potential human rights impacts.' However, no evidence found

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			of regular engagement. [Global Human Rights Statement: query.prod.cms.rt.microsoft.com] Score 2 <ul style="list-style-type: none"> Not met: Commits to engage stakeholders in design: No relevant information found relating to engagement with affected stakeholders in human rights design/monitoring. Not met: Regular stakeholder design engagement
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"> Not met: Commits to remedy: Although the Company indicates that undertaking due diligence to identify and mitigate potential human rights impacts is a key factor to the success of its approach, no formal commitment found to remedy adverse impacts that it has caused or contributed to. [Global Human Rights Statement: query.prod.cms.rt.microsoft.com] Score 2 <ul style="list-style-type: none"> Not met: Not obstructing access to other remedies Not met: Collaborating with other remedy initiatives Not met: Work with ICT suppliers to remedy impacts: The Company provides an example of a corrective action plan done in Taiwan, however, no commitment to remedy adverse impacts in the supply chain could be found. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
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"> Not met: Zero tolerance attacks on HRs Defenders (HRDs): The Company does not tolerate retaliation against those who raise concerns about misconduct. However, no mention of retaliation against human rights defenders could be found. [Raising integrity concerns, 28/8/2019: microsoft.com] Score 2 <ul style="list-style-type: none"> Not met: Expects ICT suppliers to reflect company HRD commitments: 'Microsoft will maintain confidentiality to the extent possible and will not tolerate any retribution or retaliation taken against any individual who has, in good faith, sought out advice or reported questionable behavior or a possible violation of the Microsoft Supplier Code of Conduct, any applicable Microsoft specification, including this specification, or any applicable law.' However, no expectation of commitment for suppliers not to tolerate attacks or intimidation against human rights defenders could be found. [Microsoft Supplier Code of Conduct, June 2016]

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: CEO or Board approves policy: The Global Human Right Statement is approved by the President and Chief Legal Officer. Brad Smith is the Company's President. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com] Met: Board level responsibility for HRs: 'The Regulatory and Public Policy Committee of Microsoft's Board of Directors is responsible for reviewing Microsoft's corporate responsibility policies and programs including human rights.' [Global Human Rights Statement: query.prod.cms.rt.microsoft.com] Score 2 <ul style="list-style-type: none"> Met: Speeches/letters by Board members or CEO: The Company is a signatory of the WBCSD CEO Guide to Human Rights, which serves as a proxy for this indicator. [WBCSD CEO Guide to human rights, N/A: wbcsd.org]
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"> Not met: Board/Committee review of salient HRs: No evidence found of Board review of salient issues. Not met: Examples or trends re HR discussion Score 2 <ul style="list-style-type: none"> Not met: Both examples and process
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"> Not met: Incentives for at least one board member: Part of executive compensation, including the CEO, is scored on Culture and Organizational Leadership, which includes categories about diversity and inclusion and organizational health. No further details provided on what specifically diversity and inclusion entails and scope of organizational health. [Proxy statement 2018, 28/11/2018: view.officeapps.live.com] <ul style="list-style-type: none"> Not met: At least one key ICT HR risk, beyond employee H&S

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Performance criteria made public

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	1.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to ILO core conventions: See indicator A.1.2, the Company is signatory to the UNGC. • Met: Senior responsibility for HR: The Company explains the following: 'The Microsoft Technology and Corporate Responsibility (TCR) team, in collaboration with leaders across business and operations, drives companywide approaches to corporate social responsibility issues. The head of TCR reports directly to Microsoft President and Chief Legal Officer, Brad Smith, who sits on our Senior Leadership Team and reports directly to CEO, Satya Nadella.' The CSR issues include human rights and responsible sourcing. [2018 CSR report summary: aka.ms] Score 2 • Met: Day-to-day responsibility: The Company indicates in its Annual Human Rights report 2018, "The Microsoft Technology and Human Rights Center was established in 2013 to prioritize and coordinate our human rights due diligence, to identify emerging risks and opportunities related to human rights, and to promote harmonized approaches to human rights across the company. The Center also fosters dialogue to advance understanding of the human rights impacts of information communication technology (ICT). Through the Center, Microsoft engages with a broad range of human rights groups, academics, and industry groups globally to share Microsoft's experiences and lessons learned." Additionally the company provides a diagram outlining the allocation of human rights issues across business operations. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com] • Not met: Day-to-day responsibility for ICT in supply chain [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Senior manager incentives for human rights: No evidence relating to incentives linked to human rights for senior management found. • Not met: At least one key ICT HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR risks is integrated as part of enterprise risk system: The Company has indicated that privacy risks are integrated into its enterprise risk management system, however, this is not a relevant aspect of labor rights. [2018 CSR report summary: aka.ms] Score 2 • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to ILO core conventions: See A.1.2. • Met: Communicates its policy to all workers in own operations: The Company makes human rights commitments in its Standards of Business Conduct, which is communicated yearly to employees via a training course, available in 18 languages. [2018 CSR report summary: aka.ms & Standards of business conduct, June 2017: google.com] Score 2 • Not met: Commits to all 4 ILO core conventions: See A.1.2. • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	1.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to all 4 ILO core conventions for suppliers • Met: Requiring ICT suppliers to communicate policy down the chain: The Company requires its suppliers to inform the supply chain of its commitments. The Company's 'directly contracted suppliers are responsible for ensuring that their supply chains are in conformance with Microsoft's Supplier Code of Conduct, SEA

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>and other Microsoft requirements. This responsibility includes ensuring that their contacts with their sub-tier suppliers include required Microsoft requirements and conducting sub-tier supplier risk assessments and audits of their suppliers to verify conformance with Microsoft requirements.' [Transparency in Supply Chains Act compliance information, 31/01/2019]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: These commitments are outlined in the supplier code of conduct, which all suppliers (including their employees and subcontractors) must adhere to. [Microsoft Supplier Code of Conduct, June 2016] • Not met: Including on ICT suppliers: No evidence found relating to cascading contractual commitments down the supply chain.
B.1.5	Training on 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"> • Met: Scores at least 1 on A.1.2 • Met: Trains all workers on HR policy commitments: Employees are required to complete an annual training course on the Standards of Business Conduct, which includes Company's human rights commitments. [2018 CSR report summary: aka.ms] • Not met: Trains relevant ICT managers including procurement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	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"> • Met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments: No evidence of how the Company monitors its human rights policy commitments in its own operations could be found. • Met: Monitoring ICT suppliers: The Company's Social and Environmental Accountability team 'monitors the performance of all directly contracted suppliers and conducts sustaining audits based on each supplier's risk.' These audits are conducted by third parties and SEA experts. [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Met: Describes corrective action process: The Company describes the following: 'If non-conformances are detected in our supply chain, our SEA, Sourcing, and Manufacturing teams work closely with suppliers to develop corrective action plans to resolve detected issues, including building needed capabilities through education and training.' 'Suppliers are required to correct any critical findings within 24 hours of identification. Serious findings must be corrected within 30 days, major findings within 60 days, and minor findings within 90 days.' The Company also discloses the number or non-compliances found, which in total add up to 29. [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] • Met: Example of corrective action: 'During an FY18 audit of a Taiwanese supplier, we found that migrant workers were charged recruitment fees from a labor agency. Although the practice is legal in both the sending and receiving countries, it is prohibited by our Supplier Code of Conduct. The factory was immediately requested to provide remedy and a corrective plan that included changing its recruitment practices and reimbursing the impacted employees.' [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] • Not met: Discloses % of ICT supply chain monitored: '168 factories were audited in the devices hardware and packaging supply chain with 24 major findings in the Freely Chosen Employment category; and 15 factories were audited for the data center hardware supply chain, with 5 major findings in the same category.' No details found, however, of the Company indicating the percentage of supply chain monitored.
B.1.7	Engaging business relationships	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"> • Not met: HR affects ICT selection of suppliers • Met: HR affects on-going ICT supplier relationships: The Company actively engages with its suppliers: 'We provide incentives to suppliers who show the willingness to build their capabilities and proactively improve their management systems. These incentives include less frequent audits, recognition at supplier events and consideration for future business awards. Our primary motivation is to push for continuous improvement of the supplier social and environmental accountability program and performance. Where improvement is not possible, we

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>may restrict further business to the supplier and phase them out from our active supplier list'. [Responsible sourcing (updated), 2/9/2019: microsoft.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with ICT suppliers to improve performance: The Company discloses the following: 'We categorize all directly contracted suppliers and related factories according to a three-step model of maturity that we call SEA Stages. Microsoft SEA experts design and offer capability-building programs according to this model of maturity.' These stages include Compliance, Self-Management, and SEA Culture. Suppliers that do not meet compliance standards are placed on a watchlist. The Company works with suppliers to improve Social and Environmental performance via the aforementioned capacity-building programs, however, no example could be found. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
B.1.8	Approach to engagement with potentially affected 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"> • Not met: Stakeholder process or systems: No description of a process or system to identify affected or potentially affected stakeholders could be found. • Not met: Frequency and triggers for engagement • Not met: Workers in ICT SC engaged • Not met: Communities in the ICT SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

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	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Met: Identifying risks in ICT suppliers: 'In FY18, the SEA team began mapping existing and newly emerging labor risks in our global supply chain, including social benefits, working hours, wages, freedom of association, migrant workers, student/juvenile workers, interns, and temporary workers/subcontractors. This included analyzing legal requirements and interviewing auditors from eight countries: Japan, South Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, and Vietnam.' [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Met: In consultation with HR experts: As indicated above, identification process included interviewing auditors from eight countries: Japan, South Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, and Vietnam. • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	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"> • Not met: Salient risk assessment (and context) • Met: Public disclosure of salient risks: The Company discloses its salient human rights risks for 2018: Accessibility, Freedom of Expression and Privacy, Online Safety, and Privacy and Data Security. However, no evidence found of the company assessing any of the risks CHRB has considered salient for the industry in terms of labour. Following interviews and risk mapping process, the company discloses results: These include, among others, the following: 'Migrant workers and working hours remain at high risk for violations in over 50% of the countries; The migrant workers are mainly from China, Bangladesh, Indonesia, Vietnam, and the Philippines, and North workers are not banned in-country; Malaysia and South Korea are at high risk regarding working hours, migrant workers and temporary workers/subcontractors'. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings	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"> • Not met: Action Plans to mitigate risks: No description of a system to take action to prevent, mitigate or remediate salient human rights issues identified via the due diligence process could be found. • Not met: Including in ICT supply chain

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	internally and taking appropriate action		<ul style="list-style-type: none"> • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
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"> • Not met: System to check if Actions are effective: The Company has studied the effectiveness of its grievance mechanism, and provides a description of a supplier audit program and an evaluation of its effectiveness. However, this indicator looks for evidence of how the Company tracks actions to mitigate or prevent salient human rights risks that it face across its operations, rather than effectiveness of specific corrective actions for specific suppliers as a result of non-compliances. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] Score 2 <ul style="list-style-type: none"> • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
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"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including ICT suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns: No information found relating to relevant human rights concerns raised by affected stakeholders in relation to labour rights, evidence seems to focus in AI, data security, etc. [2018 Human Rights Report: query.prod.cms.rt.microsoft.com & 2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] Score 2 <ul style="list-style-type: none"> • Not met: Ensuring affected stakeholders can access communications

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	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: Employees have several options to report concerns, including an email address, a phone number (and international line), a fax number, and an address to send letters. Employees can also raise concerns to 'any Microsoft manager, HR, Finance, or CELA.' [Standards of business conduct, June 2017: google.com] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company provides figures related to grievances in a channel open to certain suppliers, not own operations. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Not met: Channel is available in all appropriate languages: Various company policies are available in different languages, but no mention of the grievance mechanism being available in multiple languages could be found. [2018 Modern Slavery and Human Trafficking Statement: download.microsoft.com] • Met: Expect ICT supplier to have equivalent grievance systems: The Company expects its suppliers to have a management system that 'Adequate and effective worker grievance/complaint process whereby workers can confidentially communicate Labor, Ethics, Occupational Health & Safety and Environment related grievances or complaints without fear of reprisal or intimidation is established.' Additionally, 'Suppliers shall establish and implement an effective program to ensure that their supply chains are in conformance with Microsoft Labor, Ethics, Occupational Health & Safety and Environmental requirements, including this specification.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Not met: Opens own system to ICT supplier workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Company describes the following: 'Microsoft's Global Human Rights Statement expresses our commitment to provide an anonymous grievance reporting mechanism for our employees and other stakeholders who may be impacted by our operations. Microsoft's Business

Indicator Code	Indicator name	Score (out of 2)	Explanation
	external individuals and communities		<p>Conduct Hotline allows employees and others to anonymously ask compliance questions or report concerns regarding Microsoft's business operations, including our responsible sourcing of raw materials policy or those of our suppliers. We investigate and, where appropriate, take remedial action to address reported concerns. We also participate in industry efforts to develop grievance mechanisms to address responsible sourcing of raw materials related issues.' [Conflict Mineral Report 2019, 2019: aka.ms]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: The Company has an international collect telephone number in order to make reports about integrity concerns, however, no evidence of this being available in local languages could be found. [Raising integrity concerns, 28/8/2019: microsoft.com] • Met: ICT supplier communities use global system: As indicated above, Microsoft's Business Conduct Hotline allows employees and others to anonymously ask compliance questions or report concerns regarding Microsoft's business operations, including our responsible sourcing of raw materials policy or those of our suppliers.
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	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"> • Not met: Engages users to create or assess system: The Company has disclosed details relating to this to CHRB privately, however, this information has not been disclosed via any public platform and therefore cannot be awarded. • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: ICT suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	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"> • Not met: Response timescales: No information relevant to this indicator was found. • Not met: How complainants will be informed • Not met: Who is handling the complaint <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	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"> • Not met: Public statement prohibiting retaliation: Employees are encouraged to speak up to raise concerns, and will not suffer adverse consequences for 'raising a concern in good faith about potential misconduct' or 'cooperating in an investigation.' However, no reference about other stakeholders could be found. [Standards of business conduct, June 2017: google.com & Raising integrity concerns, 28/8/2019: microsoft.com] • Met: Practical measures to prevent retaliation: Reports may be made anonymously through an external hotline, or the Office of Legal Compliance can, upon request, treat reports as anonymous. [Standards of business conduct, June 2017: google.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Met: Expects ICT suppliers to prohibit retaliation: See indicator C.1.
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	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"> • Not met: Won't impede state based mechanisms: No relevant information found regarding a commitment to not impede external mechanisms for whistleblowers. • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	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"> • Not met: Describes how remedy has been provided: No description of how remedy has been provided for adverse human rights impacts could be found. • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: Evaluation of the channel/mechanism: The Company conducted a review of some existing grievance mechanisms, including the 'Business Conduct Hotline which provides the opportunity for stakeholders to raise concerns regarding corporate integrity.' It concluded that this system, among others, is effective 'in surfacing and remediating grievances related to Microsoft's products and services.' The 'review of the mechanisms suggests that proper escalation procedures are in place for cases that may involve more severe human rights impacts, for example, in cases which need to be escalated to senior policy and product leaders or to the law enforcement request team.' [2018 Human Rights Report: query.prod.cms.rt.microsoft.com]

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
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"> Not met: Living wage in supplier code or contracts: 'Suppliers shall provide fair compensation for all employees (including permanent, temporary or dispatched workers, migrant workers, apprentices and contract workers) which, at minimum, meets legal minimum standards.' However, no mention of a living wage could be found. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends demonstrating progress
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"> Not met: Avoids business model pressure on HRs: The Company performed audits on 173 factories in 2018, and those with 'critical or serious findings were escalated to Microsoft senior management, and the suppliers were placed on restricted status with no new Microsoft business awarded until the issues were resolved.' However, no evidence of practices to avoid price or short notice requirements or positive incentives relating to human rights could be found. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] Not met: Positive incentives to respect human rights <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met
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"> Not met: Identifies suppliers back to product source: Suppliers are required 'to gather, examine and verify traceability information of required raw materials.' However, it is unclear if they are required to report this information to the Company, and no evidence could be found that suggests that the Company identifies all manufacturing sites, beyond conflict minerals. [Supplier Social and Environmental Accountability Manual Excerpt, 30/3/2018 & Conflict Mineral Report 2019, 2019: aka.ms] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Discloses significant parts of supply chain and why: The Company discloses a list of Top 100 Production Suppliers, however, this list only includes names of suppliers, and not addresses or any other additional information. Not clear if these represent the most significant part of its supply chain either (the most significant part of the supply chain is to be defined by the Company). [Top 100 Production Suppliers, 2018: query.prod.cms.rt.microsoft.com]
D.4.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Child Labour rules in codes or contracts: The Company requires suppliers to 'comply with all local and national minimum working age laws or regulations and shall not use child labor.' 'Age and identity of the candidates must always be verified prior to recruitment. Suppliers shall review, validate and maintain a copy of a legal proof of age and identity upon hiring a candidate.' 'Suppliers located in countries with a high risk of child labor, shall have a child labor remediation plan in place, which describes the actions to be taken in case a child is found working in the supplier premises.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: How working with suppliers on child labour: The Company partners with Pact, 'to expand its critical work in the Democratic Republic of Congo to reduce child labor in mining.' The Company describes the following: 'Through our expanded partnership, we will work with Pact to provide more direct support to children and adolescents and the local organizations that support them. Activities will include developing an apprenticeship program for older adolescents, improving the capacity of local orphanages, assessing state child protection and welfare services, and supporting home-based day care for younger children of miners.' It also states it acts with its 'own suppliers and supply chain, which is a prerequisite to effecting change from the top down.' [Working together to expand the fight against child labor in mining, 30/8/2017: blogs.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> Met: Both requirements under score 1 met: See above. Met: Provide analysis of trends demonstrating progress: The Company provides summary year-over-year data of supplier audits, which includes audits on child labor avoidance. The data is given in percentages of critical or serious non-conformance found, in both new suppliers and existing suppliers. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Debt and fees rules in codes or contracts: The Company requires that suppliers use only voluntary labor. 'Any type of forced, involuntary prison, indentured, bonded (including debt bondage, trafficked or slave) labor is prohibited.' 'Suppliers shall not require workers to pay employers' or agents' recruitment fees or other related fees for their employment such as fees for skill tests, additional certifications and medical exams/screening. If any such fees are found to have been paid by workers, suppliers shall repay such fees to workers.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Not met: How working with suppliers on debt & fees: The Company states the following: 'In FY18, we also offered two days of training in Thailand for external auditors. The training was developed in partnership with an NGO that specializes in human rights and labor issues and focused on how to identify potential human trafficking and forced labor risks and effective identification during audits to capture potential nonconformance.' However, no information could be found about how the Company works with suppliers. [Supplier Social and Environmental Accountability Manual, 30/3/2018: download.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Met: Provide analysis of trends in progress made: The Company provides summary year-over-year data of supplier audits, which includes audits on freely chosen employment. No cases of nonconformance have been found in the past few years. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Free movement rules in codes or contracts: 'Suppliers shall not require workers to lodge "deposits" or surrender their identity papers (government-issued identification, passports, or work permits) as a condition of employment.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: No evidence found relating to how the Company helps eliminate movement restrictions in its supply chain. <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Met: Provide analysis of trends in progress made: The Company provides summary year-over-year data of supplier audits, which includes audits on freely chosen employment. No cases of nonconformance have been found in the past few years. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.6.b	Freedom of association and collective bargaining (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: FoA & CB rules in codes or contracts: 'Suppliers shall respect workers' rights to freedom of association and collective bargaining. Employees must be free to join associations of their own choice and select their representatives according to local and international practices'. 'Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal or intimidation.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Met: Provide analysis of trends in progress made: The Company provides summary year-over-year data of supplier audits, which includes audits on freedom of association. No cases of nonconformance have been found in the past few years. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	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"> • Met: Sets out clear Health and Safety requirements: The Company describes the following: 'All employees shall have access to first aid and emergency care, provided by assigned first aid teams, on-site health center, or nearby hospital/clinic.' 'Employees who sustain injuries through work shall be provided with medical support as per legal requirements.' 'First aid kits shall be available in production and office areas, placed in visible and accessible locations, kept properly stocked, and replenished on a continual basis. First-aid training shall be provided according to applicable local statutes or voluntarily if not mandated by law. The identity of the first aiders shall be clearly displayed in work areas and be incorporated in emergency response plan.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Met: Injury rate disclosures: The Company discloses the Total Recordable Injury Rate for its Tier 1 suppliers. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures • Not met: Occupational disease rates <p>Score 2</p> <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: 'Microsoft launched a series of EHS capability-building programs through the SEA Academy (see the SEA Academy section) to drive EHS improvement in our supply chain. In FY18, we introduced the SEA Webinar program, targeting the EHS professionals in our suppliers. We held four webinars with a total of 403 supplier participants. The topics addressed major EHS concerns in the previous SEA audits and regulatory compliance priorities in newly emerging EHS regulations'. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Met: Provide analysis of trends in progress made: The Company preforms audits on its suppliers relating to health and safety, and provides year-to-year data in its sustainability report. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.8.b	Women's rights (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"> • Not met: Women's rights in codes or contracts: The Company requires 'that Suppliers not engage in discrimination in hiring, compensation, access to training, promotion, termination, and/or retirement based on race, color, sex, national origin, religion, age, disability, gender identity or expression, marital status, pregnancy, sexual orientation, political affiliation, union membership, or veteran status.' However, no specific provision for equal pay for equal work could be found. Additionally, 'Health tests, pregnancy testing, or contraception shall not be used as a condition of employment (In some cases, local governments require health tests for foreign workers prior to issuance of work visas.)' However, no relevant measures to eliminate health and safety concerns were found. [Microsoft Supplier Code of Conduct, June 2016 & New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Not met: How working with suppliers on women's rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Not met: Provide analysis of trends in progress made: The Company reports yearly on supplier audits. Part of the audit is checking for humane treatment. However, this does not serve as a proxy for women's rights. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.9.b	Working hours (in the supply chain)	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"> Not met: Working hours in codes or contracts: The Company requires the following: 'Suppliers shall ensure that workers are not required to work more than the maximum daily/weekly/monthly hours set by local and national laws and regulations or as set in the freely negotiated and legitimate collective agreement. A work week must not exceed 60 hours per week, including overtime, except in emergency or unusual situations.' Emergency or unusual situations include equipment breakdown, power failure, material shortages, etc. 'Workers shall be allowed at least one day off, comprising at least twenty-four consecutive hours, within a seven-day period. All workers are allowed to have breaks, holidays and vacation days to which they are legally entitled.' However, no evidence found of references to international standards, standard weekly hours (without overtime). [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Not met: How working with suppliers on working hours <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Met: Provide analysis of trends in progress made: The Company preforms yearly audits on suppliers. Part of this audit includes working hours. In 2018, 19% of the supply chain audited was found to have serious nonconformance, down from the previous year, where 39% of new suppliers and 20% of existing suppliers were nonconformant. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Responsible mineral sourcing due diligence in supplier contracts: The Company 'requires its suppliers to source responsibly, including in regard to raw materials. The overarching requirements are set forth in our Supplier Code of Conduct and Responsible Sourcing of Raw Material Policy (RSRM), which are incorporated into our hardware and packaging contracts with supplier. Suppliers are expected to incorporate these requirements into their own sourcing policies and contracts with their sub-tier suppliers. For conflict minerals, Suppliers should follow the steps set out by the Organization for Economic Co-operation and Development (OECD).' These are contractual obligations laid out in the Social and Environmental Accountability Manual', which include issues like human rights violation, child labour, conflict, corruption and environment'. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] Met: Builds capacity with smelters/refiners: The Company works with its 'suppliers to map the supply chain of identified key raw material to their raw material source where they are extracted and harvested.' The due diligence efforts align with the OECD Due Diligence Guidance. The Company also describes the following: 'Capability Building: Performance monitoring, which provides a snapshot in time, will not achieve effective results on its own. We work closely with our upstream supply chain and NGO partners to build capabilities to reach our shared goals. We invest in programs that improve stakeholders' capabilities and provide them with access to technology and other platforms to drive further transparency and accountability. These platforms also allow different stakeholders to learn from each other and exchange best practices. We also provide training to our Microsoft employees, suppliers, and raw materials harvesters and extractors to build awareness and their ability to conduct due diligence'. [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Met: Disclosure of smelter information in supplier requirements: Part of the SEA Manual includes requirements to identify risks in the Raw Material Supply Chain: 'Origin Identification: Suppliers shall establish a system to gather, examine and verify traceability information of required raw materials. It is recommended that suppliers request their sub-tier suppliers to disclose the origins of raw materials under mutually agreed conditions. The minimum requirement is to identify the location of extraction or harvesting activities or recycling sources in the raw material supply chain.' This forms part of contracts. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] • Met: Responsible conflict mineral sourcing covers all minerals: The Company's Responsible Sourcing of Raw Materials policy states that the 'scope of the raw materials should go beyond the regulated "conflict minerals" (3TG: Tantalum, Tin, Tungsten and Gold) based on their own raw materials risk assessment and be unbounded by origin location'. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com]
D.4.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Risk identification and disclosure in line with OECD Guidance: 'Suppliers shall engage with sub-tier suppliers to identify any potential warning signs in the supply chain. Suppliers shall assess risks by reviewing relevant audit information, publicly available policies and reports, as well as contracting with a 3rd party to conduct systematic risk analysis. Findings of the risk assessment shall be reported to the designated senior management of the company.' Risks are disclosed in the Devices Sustainability Report, the Company indicates that analyzes the 'social, political and environmental supply chain risk information associated with each critical materials for each of the major producing countries'.. It discloses risks categorized by type of material. Examples of risks include: 'Tin mining in Indonesia is associated with environmental degradation and poor/unsafe working conditions', 'Tantalum [and tungsten] production is associated with armed conflict in the DRC.' 'Copper mining in many regions is associated with risks to ecosystems and communities with demands to water and pollution from mine sites.' [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Met: Identification of smelter/refiners and OECD due diligence: 'Suppliers shall establish a system to gather, examine and verify traceability information of required raw materials. It is recommended that suppliers request their sub-tier suppliers to disclose the origins of raw materials under mutually agreed conditions. The minimum requirement is to identify the location of extraction or harvesting activities or recycling sources in the raw material supply chain.' The Company uses independent audits to assess smelter/refiner due diligence. 'Microsoft obtained SOR data from the RMAP Conformant Smelter List using Reasonable Country of Origin Inquiry Data for member MSFT. The list identifies SORs that have undergone assessment through the RMAP or industry equivalent program, such as Responsible Jewellery Council ("RJC") or London Bullion Market Association ("LBMA").' [Conflict Minerals Report, 2018: query.prod.cms.rt.microsoft.com & New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Discloses smelters/refiners judged in line with OECD due diligence: The Company discloses the names and countries where all smelters of tin, tantalum, tungsten and gold are, as well as the results of the audit, performed by an independent third-party. The Company identifies those conformant. [Conflict Minerals Report, 2018: query.prod.cms.rt.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Responsible conflict mineral sourcing covers all minerals: The Company requires the following for supplier raw material sourcing policies: 'The scope of the raw materials should go beyond the regulated "conflict minerals" (3TG: Tantalum, Tin, Tungsten and Gold) based on their own raw materials risk assessment and be unbounded by origin location.' This is further evidenced by the disclosure of risks going beyond 3TG, as indicated above. The report includes risks related to, in addition to 3TG Copper, Magnesium and Cobalt. And the map includes, in addition to all mentioned, Lithium, Graphite and Zinc. [New Supplier SEA manual excerpt, 25/6/2019: http://download.microsoft.com/download/8/F/D/8FDD6E5B-F195-48D3-B59E-876306BF4586/H2050_Excerpt.pdf#download.microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com]
D.4.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0.5	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Met: Describes mineral risk management plan for supply chain: 'Microsoft works with impacted suppliers to find sources for RMAP conformant minerals'. 'The Microsoft Devices Strategic Sourcing and Manufacturing, and Responsible Sourcing teams work with our suppliers to ensure that the corrective action plans to remedy audit and assessment findings address the identified risks and root causes and implement fixes in a timely manner. Follow-up audits are conducted to ensure that corrective actions are implemented and closed.' In the context of minerals, risks are mitigated by supplier engagement, corrective actions, training and/or additional audits. 'We mitigate raw material sourcing risks by working with our in-scope suppliers to identify raw material SORs and encourage those facilities to become RMAP conformant or use an alternate facility that is RMAP conformant. We also participate in industry-wide initiatives that assess SOR conformance with the OECD Guidance'. In addition, the Company reports work carried out in relation to minerals and child labour in DRC in cobalt mining. It includes partnering with RMI and Pact to build upstream due diligence standards. It reports a three-year commitment with Pact that includes stakeholder meetings to 'secure buy-in and local ownership of the project', 'site assessment visits to map the main economic activities both within and outside the mining sector', 'formed and trained the neighborhood committee and mine outreach group', 'baseline surveys', etc. [Responsible sourcing (updated), 2/9/2019: microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Not met: Monitoring, tracking and whether better risk prevention/mitigation over time <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Supplier and stakeholders engaged in risk management strategy • Not met: Responsible conflict mineral sourcing covers all minerals

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		<ul style="list-style-type: none"> • Headline: Microsoft faces child labour claims in its supply chain in the Democratic Republic of Congo • Area: Child labour • Story: On November 15, 2017, Amnesty International released a follow-up report regarding human rights abuses entering their cobalt supply chains amongst electronic and electric vehicle companies, including Apple. <p>The report assessed the policies and practices of 29 companies and how much their cobalt-sourcing practices have improved since its previous report published in January 2016. More than half of the world's cobalt, a key element in lithium-ion batteries, is sourced from the Democratic Republic of Congo (DRC), where Amnesty has found human rights abuses. Amnesty International stated that about a fifth of the country's cobalt production is mined by informal miners including children, often in dangerous conditions. The report also claimed that children as young as seven engaged in artisanal cobalt mining. Some of these children worked in the tunnels alongside adult miners, while most helped to pick through mine tailings and wash minerals prior to sale. Many were forced to carry out this hazardous work because their families were too poor to pay school fees. Children are also being subjected to beatings and extortion by security guards and exploited by traders.</p> <p>Amnesty International pointed out that Apple has made significant progress since the 2016 report and it is leading the way in tracing cobalt used in its electronics. Apple now explicitly lists cobalt among the minerals for which it requires supplier due diligence in line with international standards.</p> <p>The electronics companies and the automobile manufacturers included in the report are: Apple, Samsung SDI, Dell, HP, BMW, Tesla, LG Chem, Sony, Samsung Electronics, General Motors, Volkswagen, Fiat-Chrysler, Daimler, Hunan, Shanshan, Amperex Technology, Tianjin Lishen, Microsoft, Lenovo, Renault, Vodafone, Huawei, L&F, Tianjin B&M, BYD, Coslight, Shenzhen BAK and ZTE.</p> <ul style="list-style-type: none"> • Sources: [Amnesty International, 15/11/2017: amnesty.org][Reuters, 15/11/2017: reuters.com]
E(1).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: The Company responded in a detailed letter to Amnesty International in October 2017, where it addressed the questions put to it by Amnesty regarding its investigation into its supply links to the DRC and Huayou Cobalt. [Reuter's article on child labour in DRC, Nov 2017: reuters.com & Response to Amnesty International, 27/10/2017: download.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Response goes into detail: The response provides detailed information on the changes that Microsoft says it has undertaken in response to the report previously released by Amnesty, and just prior to the release of Amnesty's follow up report 'Time to Recharge' in November 2017. These changes by Microsoft relate to both the mapping of the company's supply chain and also the increased expectations placed on suppliers. [Response to Amnesty International, 27/10/2017: download.microsoft.com]
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The Company states that "We work to eliminate child labor, human trafficking, and other labor abuses in our supply chain." [Standards of business conduct, June 2017: google.com] • Met: Policies apply to the type of business relationships involved: The policy also applies to the Company's suppliers. [Microsoft Supplier Code of Conduct, June 2016] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: In the company's 'Supplier, Social and Environmental Accountability Manual Excerpt' it says "Age and identity of the candidates must always be verified prior to recruitment. Suppliers shall review, validate and maintain a copy of a legal proof of age and identity upon hiring a candidate." [Supplier Social and Environmental Accountability Manual, 30/3/2018: download.microsoft.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).3	The Company has taken appropriate action	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Engages with affected stakeholders: The company provides evidence of its work with 'Pact', an NGO that provides a process and tool for companies to address child labor in their mineral supply chains. The company says "Microsoft supports a Pact project to eliminate child labor at mining sites in the DRC, specifically in the Manono and Kolwezi regions. The program received international recognition and reduced the number of children working at Manono mines by 77–97 percent during the course of the project to date. The Kolwezi project just finished the first year of its three-year engagement." This is sufficient evidence of stakeholder engagement. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com & Response to Amnesty International, 27/10/2017: download.microsoft.com] • Met: Encourages linked business to engage affected stakeholders: In Microsoft's letter to Amnesty International, the company says " In the past year, we've expanded our work with suppliers on responsible sourcing requirements. We've worked with our directly contracted battery suppliers and surveyed their contracted sub-tier suppliers to identify participants such as Huayou Cobalt. Given the alleged concerns, we are validating this data and have already begun working with partners, like the Responsible Minerals Initiative (RMI) and Pact, to build upstream due diligence standards...All direct suppliers agree to adhere to the SEA Supplier Manual as a contractual requirement and they also commit to passing its raw materials due diligence requirements to their sub-tier suppliers. Third party audits are conducted to determine supplier conformance to the requirements in the Manual". [Response to Amnesty International, 27/10/2017: download.microsoft.com & Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] • Not met: Provides remedies to affected stakeholders: CHRB did not find evidence of the Company providing remedies. • Met: Has reviewed management systems to prevent recurrence: In response to questions about reviewing its supply chain links to the DRC & Huayou Cobalt, the company says "We have sought relevant documentation and proof of due diligence from our suppliers. This is documented in our external report FY17 Microsoft Devices: Social and Environmental Accountability Report and part of our due diligence program outlined in our Social and Environmental Accountability Supplier Manual". Additionally the company says it has taken action to map its supply chain and associated risks, saying "we have identified smelters and refiners related to our cobalt supply chain. We are validating this data and have already begun working with partners, like the Responsible Minerals Initiative (RMI) and Pact, to build upstream due diligence standards and ability to address risk." [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders: The company has provided evidence of engagement with stakeholders through its relationship with the NGO Pact, who's programs seek to eliminate children at mine sites. Additionally, in its response to Amnesty International, the company outlines the work it has taken to engage with its suppliers and also map its smelters and refiners to build upstream due diligence capacity. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com & Response to Amnesty International, 27/10/2017: download.microsoft.com]

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.36 out of 4	Out of a total of 44 indicators assessed under sections A-D of the benchmark, Microsoft Corporation made data public that met one or more elements of the methodology in 26 cases, leading to a disclosure score of 2.36 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Company reports on GRI: The Company provides a GRI Content Index. [GRI Index, 26/4/2019: microsoft.com] • Met: Company reports on UNGPRF: 'The human rights-related disclosures are based on the UN Guiding Principles on Business and Human Rights Reporting Framework (RAFI).' [2018 CSR report summary: aka.ms]

Indicator Code	Indicator name	Score	Explanation
F.3	Key, High Quality Disclosures	0 out of 4	<p>Microsoft Corporation met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) <p>Discussing challenges openly</p> <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

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.

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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.