Company Name: Microsoft
Industry: ICT (Supply Chain only)
Overall Score: 28.8 out of 100

Theme Score Out of For Theme
3.8 10 A. Governance and Policies
7.9 25 B. Embedding Respect and Human Rights Due Diligence
7.5 20 C. Remedies and Grievance Mechanisms
5.4 25 D. Performance: Company Human Rights Practices
4.3 20 E. Performance: Responses to Serious Allegations

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 2022 Methodology document for the sector concerned. 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)

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<tr>
<td>A.1.1</td>
<td>Commitment to respect human rights</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: It indicates that ‘Respecting human rights is a core value of Microsoft’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] Score 2 • Met: Commitment to the UNGPs: It also states that ‘Microsoft commits to respecting the United Nations Guiding Principles on Business and Human Rights (UNGPs)’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com]</td>
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<tr>
<td>A.1.2.a</td>
<td>Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Company has a commitment to the ILO Core: It indicates that ‘We commit to respect the rights of our employees, including those outlined in the ILO Declaration on Fundamental Principles and Rights at Work’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] Score 2 • Met: Company has a commitment to all four ILO Core: It is committed to respect workers’ rights to: ‘their freedom of association and right to collective bargaining, their rights not to be subject to forced labor, child labor or discrimination in regards to employment and occupation’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] &amp; [Empowering our employees 2020 update, N/A: microsoft.com] Score 2 • Met: Company expects suppliers to commit to ILO Core: The Company’s Supplier Code of Conduct covers each ILO Core commitment: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]</td>
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<td>A.1.2.b</td>
<td>Commitment to respect the human rights of workers: Health and safety and working hours</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Commitment to respect H&amp;S of workers: In its webpage section Empowering Employees, the Company indicates: ‘Microsoft is committed to supporting our employees’ well-being and safety while they are at work and in their personal lives’. However, only policy commitments are considered a suitable source for this indicator under CHRB revised approach. It has also made reference, in its feedback to CHRB, to its Standards of Business Conduct. However, no publicly available policy statement committing it to respect the health and safety of workers found in the document. • Not Met: Respect ILO labour standards on working hours or Commit to 48 hours regular work week Score 2 • Met: Expect suppliers to commit to H&amp;S of their workers: The Supplier Code of Conduct indicates that ‘Microsoft Suppliers are required to develop and implement health and safety management practices in all aspects of their business. Without limitation, Suppliers must: ‘Ensure compliance with all applicable occupational health and safety laws and regulations, including but not limited to requirements that address occupational safety, emergency preparedness, occupational injury and illness prevention, industrial hygiene, physically demanding work, ergonomics, machine safeguarding, sanitation, food, and housing and provide compliance evidence upon Microsoft request. [...] Provide a safe and healthy work environment for all employees, take action to manage and minimize the causes of hazards inherent in the working environment, and implement controls to protect sensitive populations. [...] Establish an occupational health and safety management system [...]’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] • Met: Expect suppliers to commit to ILO labour standard or to 48 hours regular work week: Suppliers are required to: ‘Suppliers are prohibited from requiring workers to work more than the maximum hours as set by international standards, including the International Labour Organization, around standard working hours (Conventions 1, 14, &amp; 106), local and national laws, Microsoft requirements, or in the freely negotiated and legitimate collective agreement, whichever are most restrictive. Suppliers must ensure overtime is voluntary and paid in accordance with local and national laws or regulations. A work week must not be more than 60 hours per week, including overtime, except in emergency or unusual situations’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]</td>
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| A.1.3.a.ICT    | Commitment to respect human rights particularly relevant to the industry – responsible sourcing of minerals (ICT) | 1               | The individual elements of the assessment are met or not as follows: Score 1 • Met: Responsible mineral sourcing: The Company indicates that ‘We envision a future where all raw materials, unbounded by specific materials or locations, are sourced from responsible suppliers’. The Conflict minerals report (SD report) states that ‘Microsoft is committed to the responsible sourcing of raw materials globally and is committed to sourcing minerals for use in our devices that do not directly or indirectly finance armed conflict or benefit armed groups’. ‘We commit to the responsible sourcing of 3TG from Conflict Affected and High Risk Areas (“CAHRAs”), including the DRC or DRC-adjointing countries […] in order to minimize the harmful societal and economic impacts that would be caused by an inadvertent de facto embargo of 3TG minerals from such regions’. This report is considered a proxy for policy statements under CHRB revised approach. [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com] & [2020 Conflict Minerals Report, 2021: aka.ms] • Met: Based on OECD Guidance: It indicates that ‘Our supply chain due diligence efforts align with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas’. [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com] & [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com] • Met: Requires suppliers to commit to responsible mineral sourcing: The Responsible sourcing of raw materials policy ‘extends our supplier code of conduct to the furthest reaches of our upstream supply chain in support of human rights;
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| A.1.3.b.ICT    | Commitment to respect human rights particularly relevant to the industry – vulnerable groups (ICT) | 1.5 | The individual elements of the assessment are met or not as follows: 
- **Score 1**: 
  - **Met**: Expects suppliers to respect at least one of these rights: The Company indicates that ‘Suppliers should ensure their business practices respect the rights of different demographic groups, including women, and migrant workers’. The Company has provided an additional source to this indicator, however key information was already in use. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] 

- **Score 2**: 
  - **Not Met**: Expecting suppliers to respect these rights: The Company expects ‘Employees, partners, suppliers, governments and customers share this responsibility to ensure that information and communications technology and our business activities respect and promote human rights’. However, no specific reference found to the expectation of suppliers upholding the Women’s...
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| A.2.1         | Commitment from the top | 0.5  | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Board level responsibility for HRs: The webpage section Board Committees indicates: ‘The Board maintains four standing committees to assist it in discharging its oversight responsibilities’. Among them is the ‘Environmental, Social, and Public Policy’. According to webpage section Board of Directors & ESG: ‘As a reflection of the importance we place on advancing environmental and social progress, we assign oversight responsibility for environmental sustainability and corporate social responsibility to the Environmental, Social, and Public Policy Committee of the Board, who works with management to review our policies, programs, and performance’. The Board’s charter notes that ‘Subject to the Corporate Governance Guidelines, the principal responsibilities and functions of the Environmental, Social, and Public Policy Committee are: […] human rights; and responsible sourcing’. [Board of Directors & ESG (web), N/A: microsoft.com] & [Environmental, Social, and Public Policy Committee Charter, 06/2022: aka.ms]  
• Not Met: Describe HR expertise of Board member: In its feedback to CHRB, the Company makes reference to Penny Pritzker’s [member of Environmental, Social, and Public Policy Committee] bio: ‘Penny Pritzker is an entrepreneur, civic leader and philanthropist with more than 30 years of experience as a business builder and entrepreneur in numerous industries. Pritzker is the founder and chairman of PSP Partners and its affiliates Pritzker Realty Group, PSP Capital and PSP Growth. From June 2013 through January 2017, she served as U.S. Secretary of Commerce. Pritzker was a core member of President Obama’s economic team and served as the country’s chief commercial advocate, leading the administration’s trade and investment promotion efforts. During her tenure, she developed the agency’s first comprehensive digital and data agenda, chaired the Presidential Ambassadors for Global Entrepreneurship (PAGE) program, and served as the administration’s point person on manufacturing. Pritzker and her husband, Dr. Bryan Traubert, co-founded the Pritzker Traubert Foundation, a private philanthropic foundation that works to foster increased economic opportunity for Chicago’s families. Pritzker earned a bachelor of arts in economics from Harvard University and a juris doctor and an MBA from Stanford University. Pritzker joined the Microsoft board as an independent director in November 2017’. However, no specific reference to Human Rights expertise found. The Company is expected to describe the human rights expertise of the Board member or Board committee tasked with that governance oversight. [Penny Pritzker (web), N/A: news.microsoft.com]  
Score 2  
• 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 responsibility | 0      | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Board/Committee review HRs strategy: In its feedback to CHRB highlights its approach to ESG topics. It also indicates that the Environmental, Social and Public Policy Committee oversees the Company’s Human Rights commitments as it is reiterated in the Board’s charter: ‘Subject to the Corporate Governance Guidelines, the principal responsibilities and functions of the Environmental, Social, and Public Policy Committee are: […] human rights; and responsible sourcing’. However, no description of the processes it has in place to discuss and regularly review its human rights strategy or policy or management processes at board level or a board committee. [Environmental, Social, and Public Policy Committee Charter, 06/2022: aka.ms]  
• Not Met: Examples/trends re HR discussion in the last reporting period  
Score 2  
• Not Met: Meets both requirements under score 1  
• Not Met: How affected stakeholders/HR experts informed discussions  
| A.2.3         | Incentives and performance management | 0      | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Incentives for at least one board member: The 2021 Annual Report indicates: ‘We think of diversity and inclusion as core to our business model, informing our actions to impact economies and people around the world. […] annual performance and compensation reviews of our senior leadership team include an evaluation of their contributions to employee culture and diversity. To ensure accountability over time, we publicly disclose our progress on a multitude of workforce metrics including: Detailed breakdowns of gender, racial, and ethnic minority representation in our employee population, with data by job types, |
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<tr>
<td>A.2.4</td>
<td>Business model strategy and risks</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Board process to review business model and strategy: The 2021 Proxy Statement indicates: ‘Effective risk management is critical to Microsoft’s ability to achieve its mission. The Board exercises direct oversight of strategic risks to the Company and other risk areas not delegated to one of its committees. […] The Board receives and provides feedback on regular updates from management regarding cybersecurity governance processes, the status of projects to strengthen internal cybersecurity, security features of the products and services we provide our customers, and the results of security breach simulations. The Board also discusses recent incidents throughout the industry and the emerging threat landscape. The committees are charged with specific areas of risk oversight, […] and regularly report back to the full Board’. It then summarizes the role of each committee. However, no specific description found of the process it has in place to discuss and review its business model and strategy for inherent risks to human rights at board level or a board committee. [2021 Proxy Statement, 2022: view.officeapps.live.com] • Not Met: Describe frequency and triggers for reviewing Score 2 • Not Met: Meets both requirements under score 1 • Not Met: Example of actions decided</td>
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**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)**

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<td>B.1.1</td>
<td>Responsibility and resources for day-to-day human rights functions</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Score of 1 on A.1.2.a: See indicator A.1.2. • Met: Senior responsibility for HR implementation and decision making: It indicates: ‘Microsoft’s President and Chief Legal Officer oversees the implementation of our human rights commitments working within the Microsoft Corporate, External, and Legal Affairs division’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] Score 2 • Met: How it assigns Day-to-day responsibility: The Company indicates that it has created the Microsoft Technology and Human Rights Center: ‘Established in 2013, the Center prioritizes and coordinates our human rights due diligence, identifies emerging risks and opportunities related to human rights, and promotes harmonized approaches to human rights across the company. The Center also fosters dialogue to advance understanding of the human rights impacts of information and communication technology (ICT). Through the Center, Microsoft engages with a broad range of human rights groups, academics, and industry groups globally to improve our practices and share Microsoft’s experiences and lessons learned’. [2020 Human Rights Annual Report, 2021: aka.ms] • Met: Day-to-day resources and expertise allocation in own ops: Also: ‘Microsoft’s President reports into the CEO, and leads a team of more than 1,500 business, legal and corporate affairs professionals located in 54 countries and operating in more than 120 nations. The team spearheads the company’s work on critical issues involving the intersection of technology and society, including cybersecurity, privacy, artificial intelligence, environmental sustainability, human rights, immigration and philanthropy. The team includes dedicated professionals who are responsible for the day-to-day management of our salient human rights risks: Accessibility, Data privacy and security, Digital Safety, Freedom of expression and privacy, Responsible sourcing’. [2020 Human Rights Annual Report, 2021: aka.ms]</td>
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<td>Met: Resources and expertise allocation in the supply chain: See description above, which includes 'responsible sourcing'. In addition, The Responsible Sourcing (RS) Team within the Microsoft Experiences and Devices Group is responsible for SEA (Social Environmental Accountability) programs that require supplier compliance with our Supplier SEA Manual, including supply chain requirements for ethical, human rights, labor, environment, and occupational health and safety, and sustainability. The RS Team works as an integral component of the Devices’ Strategic Sourcing Group, which is responsible for Devices’ direct material and supply chain services sourcing’. [Modern Slavery and Human Trafficking Statement FY2019, 2020: aka.ms]</td>
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<td>B.1.2</td>
<td>Incentives and performance management</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Senior manager incentives for human rights: The 2021 Annual Report indicates: 'We think of diversity and inclusion as core to our business model, informing our actions to impact economies and people around the world. [...] annual performance and compensation reviews of our senior leadership team include an evaluation of their contributions to employee culture and diversity. To ensure accountability over time, we publicly disclose our progress on a multitude of workforce metrics including: Detailed breakdowns of gender, racial, and ethnic minority representation in our employee population, with data by job types, levels, and segments of our business. Our EEO-1 report (equal employment opportunity). Disability representation’. In its feedback to CHRB, the Company makes reference to the 2021 Diversity &amp; Inclusion Report and the 2021 Impact at a Glance which disclose diversity related figures. However, no further details provided on what diversity and inclusion entails in relation to the compensation scheme (what is the actual outcome related to this issue that is considered in the incentive). [2021 Annual Report, 2022: c.s-microsoft.com] • Not Met: At least one key HR risk, beyond employee H&amp;S Score 2 • Not Met: Performance criteria made public • Not Met: Review of other senior management performance</td>
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<tr>
<td>B.1.3</td>
<td>Integration with enterprise risk management</td>
<td>0</td>
<td>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 2020 Human Rights Annual Report indicates: 'By focusing on human rights, our employees have a framework for approaching problems and assessing risks, and which requires us to seek out and engage external perspectives, and to design solutions that achieve more by leaving no one behind. But, perhaps more importantly, it helps us consider difficult decisions with agreed principles, consistency, and accountability. We believe that people, organizations, and societies will only use technologies they trust, and they will only trust technologies that respect their rights and advance human dignity. [...] Respect for human rights underpins everything we do at Microsoft and we have long championed discussions around the relationship between technology and human rights. These discussions aren’t always easy, but we strive to address clear-eyed and head-on the risks that technology can pose and the harm it can do to society’. Also, ‘we continue to implement a variety of policies and processes across a range of salient human rights risks to avoid infringing on the human rights of others and to address adverse impacts with which we are involved’. Finally, ‘Microsoft’s President reports into the CEO, and leads a team of more than 1,500 business, legal and corporate affairs professionals located in 54 countries and operating in more than 120 nations. The team spearheads the company’s work on critical issues involving the intersection of technology and society, including cybersecurity, privacy, artificial intelligence, environmental sustainability, human rights, immigration and philanthropy. The team includes dedicated professionals who are responsible for the day-to-day management of our salient human rights risks: Accessibility, Data privacy and security, Digital Safety, Freedom of expression and privacy, Responsible sourcing, these groups work with Microsoft’s employees, partners, suppliers, customers, and governments to meet the shared responsibility to respect human rights’. However, although the Company provides some details of its Human Rights management process, no description found of how attention to human rights risks is integrated into its broader enterprise risk management system. Integration should refer to labour or human rights covered by the benchmark. [2020 Human Rights Annual Report, 2021: aka.ms] • Not Met: Provides an example Score 2 • Not Met: Audit Ctte or independent risk assessment</td>
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| B.1.4.a        | Communication /dissemination of policy commitment(s) to workers and external stakeholders | 1              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Score of 1 on A.1.2.a: See indicator 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. In addition, ‘Employees are required to complete an annual training course on the Standards of Business Conduct’, which includes Company’s human rights commitments. [Corporate Social Responsibility Report 2019, 2020: aka.ms] & [Human Rights Report 2019, 2020: aka.ms]  
Score 2  
• Not Met: Communication of policy commitments to stakeholder: The Global Human Rights Statement indicates ‘We communicate our commitment to stakeholders through our Global Human Rights Statement website where this statement is available in 18 languages and dialects’. However, it is not clear how it actively communicates its policy beyond having it available online. Regarding its Human Rights due diligence, the Global Human Rights Statement indicates: ‘Our processes follow the UNGPs and the OECD Guidelines for Multinational Enterprises. One of the ways we do this is by conducting human rights impact assessments (HRIAs), to identify and prioritize salient risks. We have conducted HRIAs at both the corporate and product levels, and for various countries and locations. Our HRIA work includes regular engagement and consultation with stakeholders in an effort to understand and address perspectives of vulnerable groups or populations. [...] We communicate to stakeholders how positive and adverse impacts are identified, assessed and actioned through different reports and other channels’. However, although the Company indicates it engages with stakeholders and that it communicates how positive and adverse impacts are identified, assessed and actioned through different reports and other channels, no description found of how it actively communicates its policy commitments to affected stakeholders, including local communities and other groups. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] & [2020 Human Rights Annual Report, 2021: aka.ms]  
• 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: Meets ILO requirement for suppliers on A.1.2.a: See indicator A.1.2a  
• Met: Requires suppliers to communicate policy requirements: The Supplier Code of Conduct indicates: ‘Suppliers and their employees, personnel, agents, and subcontractors (collectively referred to as “Suppliers”) must adhere to this Supplier Code of Conduct while conducting business with or on behalf of Microsoft. Suppliers must require their subcontractors acknowledge and implement the SCoC in their operations and across their supply chains’. The Supplier Code of Conduct contains the Company’s human rights expectations. See further description below. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  
Score 2  
• Met: How HR commitments made binding/contractual: It also indicates: ‘Complying with the SCoC and completing the SCoC training provided by Microsoft are required in addition to meeting any other obligations contained in any contract a Supplier may have with Microsoft’. The Supplier Code of Conduct contains the Company’s human rights expectations. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  
• Not Met: Company requires suppliers to cascade down to their suppliers: As indicated above, according to its Supplier Code of Conduct: ‘Complying with the SCoC and completing the SCoC training provided by Microsoft are required in addition to meeting any other obligations contained in any contract a Supplier may have with Microsoft’. The Supplier Code of Conduct contains the Company’s human rights expectations. Regarding Supplier Sub-Tier Supplier Responsibilities, the Microsoft Supplier Social and Environmental Accountability Manual indicates: Each of Microsoft’s directly contracted suppliers is expected to have a sub-tier supplier management system and any labor agents/contractors and on-site service providers shall be included in the scope of this management system. The sub-tier supplier management system shall cover, but is not limited to, the following aspects: [...] Suppliers shall have a Code of Conduct that defines what is expected of sub-tier suppliers with respect to labor, ethics, the environment, health and safety, responsible sourcing of raw materials, and sustainability. Suppliers must demonstrate that the Code of Conduct is substantially equivalent to Microsoft’s Code of Conduct and this specification. Suppliers shall have a communication |
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<td>B.1.5</td>
<td>Training on Human Rights</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Scores at least 1 on A.1.2.a: See indicator A.1.2.a • Met: How workers are trained 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. [Human Rights Report 2019, 2020: aka.ms] • Met: Trains relevant managers including procurement: The 2021 Responsible Sourcing Report indicates: ‘Internally, our Strategic Sourcing, Factory Management, and Product Development teams received training on human trafficking and forced labor to ensure conformance requirements are incorporated into procurement decisions and to build capabilities to detect and address risks’. Also, ‘Consistency and collaboration between internal Microsoft teams is the foundation of our holistic approach. Training is also provided to the New Product Introduction (NPI) Team, Strategic Sourcing Team and Factory Management Team to ensure compliance is embedded in procurement decision-making processes. In FY21, five SEA [Social and Environmental Accountability] trainings were held for Sourcing Managers, Factory Managers, and Manufacturing Engineers, as well as the NPI Team’. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] Score 2 • Met: Score of 2 on A.1.2.a: See indicator A.1.2.a • Met: Meets both requirements under score 1: See above. • Met: Trains suppliers to meet company’s HR commitment: It indicates: ‘The Supplier Code of Conduct outlines our expectations for suppliers, and their employees, personnel, agents, and subcontractors. (...) We require suppliers to be aware of, attest to, train on, and always adhere to the SCoC. The SCoC and training focus on: Doing business ethically when it comes to (...) hiring practices, human rights (...).’ It also indicates its Annual supplier managed training requirement: ‘Suppliers are required to train eligible employees and subcontractors working on Microsoft matters annually, Suppliers must administer this training using Microsoft’s third-party SCoC training platform - provided at no cost to suppliers, This platform allows suppliers to assign, track and manage the annual training requirement for eligible employees, Suppliers who have an existing Learning Management System (LMS) may continue to use their LMS but will first be required to complete the registration process in the Microsoft provided third-party SCoC training portal, Both the platform and the training are offered in 26 languages’. [Supplier Code of Conduct training, N/A: microsoft.com] • Not Met: Disclose % trained: The 2021 Responsible Sourcing Report indicates: ‘By the end of FY21, 206 suppliers had completed SEA [Social and Environmental Accountability] requirement training; resulting in a 27 percent increase in knowledge according to pre-and-post training assessment’. However, although the Company indicates the number of suppliers trained in FY21 and the increase of knowledge it represents, no evidence of the total proportion of suppliers trained found. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]</td>
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| B.1.6         | Monitoring and corrective actions | 0.5              | The individual elements of the assessment are met or not as follows: Score 1 • Met: Scores at least 1 on A.1.2.a: See indicator A.1.2 • Not Met: Monitoring implementation of HR policy commitments across global ops and supply chain: As part of its supply chain risk management, it indicates:
Regular assessments and audits of directly contracted hardware manufacturers and repair and refurbishment partners are a key method we use to verify compliance with our standards and drive continuous improvement. Microsoft’s Audit Management System (AMS) provides robust assurance of our responsible sourcing efforts. AMS connects suppliers, audit firms, Microsoft Sourcing Managers, and the Devices Responsible Sourcing team through a seamless audit reporting tool. Third-party audits are fundamental to managing supplier performance: they enable us to scale our understanding throughout the supply chain, identify risks at our supplier sites, and monitor improvements with objectivity and specialist expertise. These qualifications ensure auditors have adequate expertise in assessing factory performance and detecting risks such as forced labor and risks to workers’ health and safety. We have a strict quality assurance process in place for our third-party audit firms to ensure reliable and accountable results. To ensure audit quality, only Microsoft-approved auditors can conduct SEA audits to Microsoft standards. We require industry-wide accredited auditor qualifications, including: RBA Labor & Ethics auditor qualification and/or SA8000 auditor qualification for labor auditors; and RBA EHS auditor qualification, ISO 45001 auditor qualification and/or certified safety or environmental engineer for EHS auditors. However, it is not clear how the Company monitors the implementation of its human rights policy commitments across its own global operations. In its feedback to CHRBL, the Company makes reference to its 2021 Impact at a Glance report. Although the report indicates some aspects the Company monitors, no evidence found of how it monitors Human Rights compliance in its own operations. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] & [2021 Impact Summary, 2022: query.prod.cms.rt.microsoft.com]

- Met: Proportion of supply chain monitored: It indicates: ‘In FY21, we conducted a risk assessment of 100 percent of our active factories, assessing the conditions of a supply chain that employs 1,007,697 workers including 11,915 international migrant workers. This includes all the new suppliers and the risk assessment includes both environmental and social criteria. In total, we completed 540 audits and assessments of 414 active factories.’ [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]
- Not Met: Describe how workers are involved in monitoring Score 2
- Met: Score of 2 on A.1.2.a: See indicator A.1.2
- Met: Describes corrective action process: It indicates: ‘If our audits detected nonconformances in our supply chain, our RS, Strategic Sourcing, and Manufacturing teams worked closely with any nonconformant suppliers to develop corrective action plans to resolve detected issues (called “Audit Findings”), including building needed capabilities through education and training. Suppliers were required to identify the root cause of any nonconformance, establish a corrective action plan, and implement corrective actions and preventative actions for all detected Audit Findings. Suppliers were required to correct issues within specific deadlines based on the severity of the nonconformance or risk termination of the Microsoft business relationship’. [2021 Modern Slavery and Human Trafficking Statement, 2022: aka.ms]
- Met: Disclose findings and number of corrective action: The Company indicates that in 2021 it realised ‘298 corrective action audits. We closed out 1,447 major and serious non-conformances across our suppliers’. It discloses its top 10 non-conformance results, including: Working hours, Occupational safety, Wages and benefits, Freely chosen employment, Child labour avoidance. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]

B.1.7 Engaging and terminating business relationships

The individual elements of the assessment are met or not as follows: Score 1
- Met: HR affects selection of suppliers: It indicates: ‘When a new supplier or factory joins our supply chain, they bring new risks and capability building needs. To address this, we built a robust onboarding process. Before Devices engages with a new supplier, the company and its factory are vetted through the Responsible Sourcing program. The Responsible Sourcing team evaluates the supplier’s profile and the capability of its management systems to manage risk and understand the risks associated with production. Onboarding is conditional on a risk assessment and a positive recommendation from the Responsible Sourcing team. In FY21, we adopted a pre-onboarding survey questionnaire for potential new factories. This survey enables Responsible Sourcing to influence business decisions by providing initial insights regarding a supplier’s risk before contracts are signed. The survey also provides the business with useful information more quickly than audits and builds partnership between internal Microsoft teams on responsible sourcing.'
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<td>B.1.8</td>
<td>Approach to engagement with affected stakeholders</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Stakeholder process or systems to identify and engage with workers/communities in the last two years: The 2021 Responsible Sourcing Report discloses its list of stakeholders including: employees, NGOs, suppliers. It also discloses the importance of each stakeholder for the Company, how it engages with each group and how it responded to them in FY21. Moreover, it also indicates that workers in its supply chain are ‘interviewed as part of the audit to understand working conditions’. It also notes: ‘We carried out our last materiality assessment at the Microsoft Devices level in 2018. The supply chain-related results of this 2018 materiality assessment, along with the interests of our stakeholders, our operating context, and supply chain activities, have guided our approach to identifying the ESG issues that are included in this report’. Also, ‘As well as ensuring fair labor practices in our operations and supply chains, we invest time and money in collaborative efforts with NGOs, governments, and enterprises to address the root causes of modern slavery and human trafficking globally, especially in countries with significant human rights challenges. We use what we learn from our partners and other stakeholders to challenge our thinking, develop and refine our policies and practices, mitigate risks, and improve our technologies to fulfill our commitment to human rights’. Finally, ‘We also require our suppliers to conduct an annual satisfaction survey to understand the views of their workers and respond to worker feedback. In FY21, 100 percent of audited suppliers conducted a survey to understand the view of their workers’. However, it is not clear the process by which it has identified affected stakeholders with whom to engage in human rights in the last two years. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] • Not Met: Discloses stakeholders that HRs may be affected • Not Met: Provides two examples of engagement with stakeholders: The 2021 Responsible Sourcing Report notes: ‘As well as ensuring fair labor practices in our operations and supply chains, we invest time and money in collaborative efforts with NGOs, governments, and enterprises to address the root causes of modern slavery and human trafficking globally, especially in countries with significant human rights challenges. We use what we learn from our partners and other stakeholders to challenge our thinking, develop and refine our policies and</td>
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practices, mitigate risks, and improve our technologies to fulfill our commitment to human rights’. Also, ‘We also require our suppliers to conduct an annual satisfaction survey to understand the views of their workers and respond to worker feedback. In FY21, 100 percent of audited suppliers conducted a survey to understand the view of their workers’. Workers in the supply chain are ‘interviewed as part of the audit to understand working conditions’. Moreover, it indicates it engages with employees by: ‘We ask for and act on employee feedback in many ways, including through the annual, anonymous Microsoft Poll of all global employees. We also conduct training to educate and engage colleagues on responsible sourcing issues, helping them understand how they can consider responsible sourcing in their own decisions’. As for ‘Responding to civil society/NGOs’: ‘We support international NGO partners who bring the necessary expertise and local knowledge to develop and implement vital programming that brings value to our Responsible Sourcing program. We engage with NGOs in the form of partnerships that offer diverse points of view that challenge our ambitions and elevate our thinking and approaches’. However, although it interviews employees though the Microsoft Poll, it is not clear if these include labour/rights topics. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]

Score
2

• Not Met: Analysis of stakeholder views on company’s HR issues: The Company has provided additional comments to CHRB regarding this indicator. However, evidence was not material.
• Not Met: Describe how views influenced company’s HR approach: The 2021 Responsible Sourcing Report notes: ‘As well as ensuring fair labor practices in our operations and supply chains, we invest time and money in collaborative efforts with NGOs, governments, and enterprises to address the root causes of modern slavery and human trafficking globally, especially in countries with significant human rights challenges. We use what we learn from our partners and other stakeholders to challenge our thinking, develop and refine our policies and practices, mitigate risks, and improve our technologies to fulfill our commitment to human rights’. Also, ‘We also require our suppliers to conduct an annual satisfaction survey to understand the views of their workers and respond to worker feedback. In FY21, 100 percent of audited suppliers conducted a survey to understand the view of their workers’. However, it is not clear how the views [of engagement with affected stakeholders] have influenced the development or monitoring of its human rights approach. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]

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

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| B.2.1          | Identifying human rights risks and impacts | 0.5 | The individual elements of the assessment are met or not as follows: Score 1
• Not Met: Identifying risks in own operations: It indicates: ‘Established in 2013, the Center prioritizes and coordinates our human rights due diligence, identifies emerging risks and opportunities related to human rights, and promotes harmonized approaches to human rights across the company’. Also: ‘Pursuant to this framework [UN Guiding Principles Reporting Framework], Microsoft has identified a number of salient issues that are priorities for our human rights work and reporting. These issues reflect the areas that our human rights due diligence identifies as most “at risk”’. However, the risks mentioned at Company level do not seem to the labour related. Additionally, the Company has performed Human Rights Impact Assessments relating to the impact of Artificial Intelligence, however, this is not material to this indicator (Artificial Intelligence not being covered at the moment). No further details found including the process for identifying which are the Company’s risks and impacts (covered by the benchmark). [2020 Human Rights Annual Report, 2021: aka.ms] |
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<td>• Met: Identifying risks through relevant business relationships: It indicates: 'In FY21, the Responsible Sourcing team continued to map existing and newly emerging labor risks in the global supply chain, including risks associated with social benefits, working hours, wages, freedom of association, forced labor, child labor, student/juvenile workers, interns, and temporary workers and subcontractors. Supplier risks are assessed considering the following factors: Supplier inherent risk, by analyzing the factory survey covering suppliers’ employment processes. Supplier’s country risk, based on risk assessment tools and reports such as Maplecroft, Freedom House, RBA/World Justice Project, and human right indicators, Supplier tier, Supplier reputation, Supplier audit performance. These risks are constantly changing and we require all final assembly manufacturers to provide monthly self-reports to closely monitor compliance risk, including human rights risk. When a risk is identified, Microsoft SEA program managers work with the supplier to mitigate the risk'. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]</td>
<td>Score 2</td>
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<td>• Not Met: Describe ongoing global risk identification in consultation with stakeholder/HR experts: As it is mentioned above: 'It indicates: 'In FY21, the Responsible Sourcing team continued to map existing and newly emerging labor risks in the global supply chain, including risks associated with social benefits, working hours, wages, freedom of association, forced labor, child labor, student/juvenile workers, interns, and temporary workers and subcontractors. Supplier risks are assessed considering the following factors: Supplier inherent risk, by analyzing the factory survey covering suppliers’ employment processes. Supplier’s country risk, based on risk assessment tools and reports such as Maplecroft, Freedom House, RBA/World Justice Project, and human right indicators, Supplier tier, Supplier reputation, Supplier audit performance. These risks are constantly changing and we require all final assembly manufacturers to provide monthly self-reports to closely monitor compliance risk, including human rights risk. When a risk is identified, Microsoft SEA program managers work with the supplier to mitigate the risk'. However, this system seems to only apply to suppliers. Moreover, it is not clear it involves consultation with affected stakeholders and internal or independent external human rights experts. The Global Human Rights Statement it indicates: 'Understanding potential human rights impacts associated with digital technologies presents unique challenges. Our global and on-going processes begin with a focus on identifying and assessing any actual, or potential, adverse human rights impacts that we may cause, contribute or be directly linked with, either through our own activities or as a result of our business relationships. Our processes follows the UNGPs and the OECD Guidelines for Multinational Enterprises. One of the ways we do this is by conducting human rights impact assessments (HRIAs), to identify and prioritize salient risks. We have conducted HRIAs at both the corporate and product levels, and for various countries and locations. Our HRIA work includes regular engagement and consultation with stakeholders in an effort to understand and address perspectives of vulnerable groups or populations’. However, it is not clear the latter reference to human rights due diligence is labour related, as it seems to focus on human rights impacts of digital technologies. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] &amp; [Human rights statement (web), N/A: microsoft.com]</td>
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To protect workers in our supply chain, we worked proactively with our suppliers to monitor their position and performance during production recovery. We raised awareness of potential supply chain management risks, ensuring our suppliers understood our requirements and took action to protect workers’ rights while maintaining business continuity. Regarding its due diligence process, the Global Human Rights Statement notes: ‘One of the ways we do this is by conducting human rights impact assessments (HRIAs), to identify and prioritize salient risks. […] We seek to understand, and respond effectively to evolving risks, best practices and stakeholder needs’. The Modern Slavery and Human Trafficking Statement reports: ‘We apply a strong management system approach that focuses suppliers on managing and mitigating risks in their operations and supplier base to address the risk of modern slavery. Our global risk assessment and audit programs generate valuable data and drive improvement and transparency across our supply chains. The data enables us to deeply understand our risks and develop strategies and programs to address such risks. In FY21, the Responsible Sourcing team continued to integrate with Strategic Sourcing to align category strategies for greater impact. We conducted data analysis to identify the specific audit, EHS, labor, and RSRM risks for each product category, enabling us to fine-tune our SEA engagement strategies to reduce forced labor risks. In conjunction, we reviewed the SEA maturity of suppliers across different sourcing categories. Based on the audit data collected over the past three years, our learnings led us to rethink and reset our category strategies to support increased supplier self-management. By refining individual category strategies, our team was better positioned to engage with suppliers regarding modern slavery risks and to partner with them to develop stronger management systems to address such risks’. However, no description found of how its process to identify human rights risks and impacts are triggered by new country operations, new business relationships, new human rights challenges or conflict affecting particular locations. [2020 Devices Responsible Sourcing Report, 2021: query.prod.cms.rt.microsoft.com] & [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com]

- Not Met: Describes risks identified: The Company has provided comment to this indicator, however, no evidence found of the risks identified specifically in relation to new country operations, new business relationships, new human rights challenges or conflict affecting particular locations, including through heightened due diligence in any conflict-affected areas.

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| B.2.2          | Assessing human rights risks and impacts | 1              | The individual elements of the assessment are met or not as follows: Score 1  
- Not Met: Describe process for assessment of HR risks and discloses salient HR issues: The 2020 Human Rights Annual Report indicates that ‘the Center prioritizes and coordinates our human rights due diligence, identifies emerging risks and opportunities related to human rights, and promotes harmonized approaches to human rights across the company’. Also: ‘Pursuant to this framework [UN Guiding Principles Reporting Framework], Microsoft has identified a number of salient issues that are priorities for our human rights work and reporting. These issues reflect the areas that our human rights due diligence identifies as most “at risk”’. However, the risks mentioned at Company level do not seem to the labour related. Additionally, the Company has performed Human Rights Impact Assessments relating to the impact of Artificial Intelligence, however, this is not material to this indicator [Artificial Intelligence not being covered at the moment]. No further evidence found in relation to the process to assess saliency of human rights risks and impacts covered by the benchmark, including factors taken into account. The Global Human Rights Statement indicates: ‘Our global and on-going processes begin with a focus on identifying and assessing any actual, or potential, adverse human rights impacts that we may cause, contribute or be directly linked with, either through our own activities or as a result of our business relationships. Our processes follows the UNGPs and the OECD Guidelines for Multinational Enterprises. One of the ways we do this is by conducting human rights impact assessments (HRIAs), to identify and prioritize salient risks. We have conducted HRIAs at both the corporate and product levels, and for various countries and locations. Our HRIA work includes regular engagement and consultation with|
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| B.2.3           | Integrating and acting on human rights risks and impact assessments | 0 | The individual elements of the assessment are met or not as follows: Score 1  
|                 |               |                 |  • Not Met: Action Plans to mitigate risks: The Company has provided comment to this indicator, however, they were related to its supply chain. This indicator focuses on the Company’s own operations.  
|                 |               |                 |  • Not Met: Description of how global system applies to supply chain: The 2021 Responsible Sourcing Report indicates: ‘Risk management starts with supplier selection and onboarding and continues through regular annual risk assessments and social and environmental accountability audits, which are followed by corrective and preventative actions when warranted. When we find that a supplier has not implemented corrective actions, resulting in repeat non-conformance findings, our process systematically restricts the facility from gaining new business. Global risk assessment and audit programs generate valuable data that we use to drive improvement and transparency’. The Company, in its feedback to CHRB has also made reference to its materiality assessment process. However, no description found of how of its global system to prevent, mitigate or remediate its salient human rights issues applies to its supply chain. This indicator focuses on the actions taken against risks identified in its Human Rights risk assessment. Current evidence found refers mainly to monitoring compliance.  
|                 |               |                 |  • Not Met: Example of actions decided on at least 1 salient HR issues  
|                 |               |                 | Score 2  
|                 |               |                 |  • Not Met: Meets all requirements under score 1  
|                 |               |                 |  • Not Met: How it involved affected stakeholders in the assessment |
| B.2.4           | Tracking 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  
|                 |               |                 |  • Not Met: System for tracking or monitor if actions taken are effective: The 2021 Responsible Sourcing Report indicates: ‘We follow a “plan-do-check-act” cycle to drive continuous supplier improvement. Annually, we evaluate every factory in terms of country risk, audit performance, and production process risk to define SEA risk and prioritize audit planning. SEA Program Managers shadow audits at high-risk factories and review audit reports to control audit quality and confirm identified non-conformances. They work closely with suppliers to identify root causes and develop corrective and preventive action plans to address NCs’. However, no description found of its system for tracking or monitoring the actions taken in response to human rights risks and impacts and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results.  
|                 |               |                 |  • Not Met: Description of how global system applies to supply chain: The 2021 Responsible Sourcing Report indicates: ‘Risk management starts with supplier selection and onboarding and continues through regular annual risk assessments and social and environmental accountability audits, which are followed by corrective and preventative actions when warranted. When we find that a supplier has not implemented corrective actions, resulting in repeat non-conformance findings, our process systematically restricts the facility from gaining new business. Global risk assessment and audit programs generate valuable data that we use to drive improvement and transparency’. The Company, in its feedback to CHRB has also made reference to its materiality assessment process. However, no description found of how of its global system to prevent, mitigate or remediate its salient human rights issues applies to its supply chain. This indicator focuses on the actions taken against risks identified in its Human Rights risk assessment. Current evidence found refers mainly to monitoring compliance.  
|                 |               |                 |  • Not Met: Example of actions decided on at least 1 salient HR issues  
|                 |               |                 | Score 2  
|                 |               |                 |  • Not Met: Meets all requirements under score 1  
<p>|                 |               |                 |  • Not Met: Involve stakeholders in decisions about actions |</p>
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| B.2.5          | Communicating on human rights impacts | 0 | The focus of this indicator is on tracking the effectiveness of previously determined actions to address specific risks and impacts. [2021 Diversity & Inclusion Report, 2022: [query.prod.cms.rt.microsoft.com]]
|                |                |                  | • Not Met: Lessons learnt from checking system effectiveness
|                |                |                  | Score 2
|                |                |                  | • Not Met: Meets both requirements under score 1
|                |                |                  | • Not Met: Involve stakeholders in evaluation of actions taken

C. Remedies and Grievance Mechanisms (20% of Total)

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| C.1            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers | 2 | The individual elements of the assessment are met or not as follows:
|                |                |                  | Score 1
|                |                |                  | • Met: Channel accessible to all workers: The Company indicates various channels through which employees can report concerns: email address, a phone number (and international line), a fax number, and an address to send letters. [Standards of Business Conduct, N/A: [google.com]]
|                |                |                  | Score 2
|                |                |                  | • Met: Channel is available in all appropriate languages and workers aware: The Microsoft Integrity Portal is a grievance mechanism available to employees and other stakeholders. This website is available in more than 20 different languages. The Global Human Rights Statement notes: ‘We work to ensure that all rightsholders and their representatives are aware of their rights to these mechanisms’. Also, the human rights report indicates that ‘Employees are required to complete an annual training course on the Standards of Business Conduct, which includes description of how employees can report concerns and how managers should handle concerns. [Microsoft Integrity Portal, N/A: [app.convercent.com]] & [Global Human Rights Statement, N/A: [query.prod.cms.rt.microsoft.com]]
|                |                |                  | • Met: Describe how workers in the supply chain have access to grievance mechanism: The Supplier Code of Conduct indicates: ‘Suppliers must provide employees with effective grievance procedures for raising workplace concerns, including concerns involving harassment and discrimination, to the attention of management for appropriate resolution. Workers must be given a safe environment to provide their grievances and feedback’. Moreover, the 2021 Responsible Sourcing Report notes: ‘The Microsoft Workers’ Voice Hotline provides an external channel for workers in our supply chain to report concerns anonymously and without fear of retaliation’. [Supplier Code of Conduct, 2022: [query.prod.cms.rt.microsoft.com]] & [2021 Devices Responsible Sourcing Report, 2022: [query.prod.cms.rt.microsoft.com]]
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<td>C.2</td>
<td><a href="query.prod.cms.rt.microsoft.com/accessibility">Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities</a></td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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<td>C.3</td>
<td><a href="query.prod.cms.rt.microsoft.com">Users are involved in the design and performance of the channel(s)/mechanism(s)</a></td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows:</td>
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|                |                                                                                 |                 |                                                                                              | Not Met: Provides user engagement example (at least two) on improvement: The 2021 Responsible Sourcing Report indicates an example of an outcome of the surveys carried with Hotline operation team: ‘online training was provided on
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<td>C.4</td>
<td>Procedures related to the mechanism(s)/channel(s) are equitable, publicly available and explained</td>
<td>0</td>
<td>‘Handling Worker Feedback for HR Managers’ at factories that received complaint cases. This training has delivered positive outcomes, with some factories seeing a significant reduction in reported cases following training’. However, this indicates focuses on examples of engagement with potential or actual users (or individuals or organisations acting on their behalf) on the improvement of the mechanism. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]</td>
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| C.5            | Prohibition of retaliation for raising complaints or concerns | 1 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Public statement prohibiting retaliation: The Global Human Rights Statement indicates: ‘Microsoft prohibits any form of retaliation against anyone who raises a human rights-related complaint or question, or participates in subsequent investigations of any such complaints’. As indicated in C.2, the channel is open to stakeholders. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com]  
• Met: Practical measures to prevent retaliation: It also indicates: ‘Anyone who seeks to raise a grievance with or seek remediation from Microsoft regarding our human rights performance may do so in the following confidential ways, in multiple languages: Submit an anonymous report through the Microsoft Integrity Website’. [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com]  
Score 2  
• Not Met: Company indicate it will not retaliate against workers/stakeholders  
• Not Met: Company does not require confidentiality provisions: The webpage of Microsoft’s U.S. settlement and separation agreements no longer include  |
<p>| C.6            | Company involvement with state-based judicial and non- | 0 |  |</p>
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<td>C.7</td>
<td>Remediing adverse impacts</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: &lt;br&gt;Score 1 &lt;br&gt;• Met: Describes how remedy has been provided: It indicates: 'If we discover a case of non-conformance, we require the supplier to remedy the issue and repay any fees paid by a worker to obtain a job. In FY20, we started to track the fees repaid to workers in our supply chain. As of the end of FY21, around $1.5 million in recruitment fees and insufficient payments shortfalls were repaid to over 36,000 supplier workers as a result of our intervention'. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] &lt;br&gt;Score 2 &lt;br&gt;• Not Met: Changes to systems, processes and practices to stop similar impact: The 2021 Responsible Sourcing Report indicates: 'When a new supplier or factory joins our supply chain, they bring new risks and capability building needs. To address this, we built a robust onboarding process. [...] In FY21, we adopted a pre-onboarding survey questionnaire for potential new factories. This survey enables Responsible Sourcing to influence business decisions by providing initial insights regarding a supplier’s risk before contracts are signed. [...] If a factory cannot meet our requirements, they are restricted from doing business with us until non-conformance issues are remedied'. Also, ‘To mitigate supply chain risks such as human trafficking and forced labor risks among sub-tier suppliers, we enhanced requirements on sub-tier supplier management in FY19’. However, this subindicator looks for specific situations where the Company has caused an impact or contributed to it through its supply chain, and changes its processes to prevent it from happening again. Current evidence seems to refer to a system in place to prevent risks from happening, rather than reacting after an impact has taken place. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] &lt;br&gt;• Not Met: Describe approach to monitoring implementation of agreed remedy: The 2021 Responsible Sourcing Report indicates: 'To mitigate supply chain risks such as human trafficking and forced labor risks among sub-tier suppliers, we enhanced requirements on sub-tier supplier management in FY19. One supplier made substantial efforts to establish the sub-tier supplier management system in FY20, supported by site visits from our team and additional capability building. In FY21, this supplier identified two forced labor non-conformances and required their sub-tier supplier to repay $216K to 104 workers’. However, no evidence found of how the Company’s approach to monitor the implementation of agreed remedy. Site visits and capacity building seemed to have taken place in the implementation of an enhanced supplier management system rather than to monitor a remediation action. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] &lt;br&gt;• Not Met: Approach to learning from incident to prevent future impacts</td>
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and incorporating lessons learned

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<td>wages and benefits, working hours, humane treatment, freely chosen employment, sanitation, food, housing and transportation, legal and customer requirements, industrial hygiene, worker feedback and participation, and disclosure of information. There were two cases related to potential involuntary labor practice issues, both of which were addressed following third-party investigation and corrective actions were taken accordingly. However, these figures only seem to cover a channel/mechanism for suppliers, no further evidence found of data for the entire grievance mechanism, including the number of grievances about human rights issues filed, addressed or resolved and outcomes achieved for its own workers, for external individuals and communities that may be adversely impacted by the Company. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]</td>
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<td>• Not Met: How lessons from mechanism improve management system Score 2</td>
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<td>• Met: Evaluation of the channel/mechanism and changes made as result: 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.’ Moreover, regarding a more recent survey, the 2021 Responsible Sourcing Report indicates: ‘To ensure continuous improvement of our processes, we carried out a survey with the Hotline operation team to collect user feedback. This provided valuable insights for future program design and feature enhancement. For example, online training was provided on “Handling Worker Feedback for Supervisors” and “Managing Worker Feedback for HR Managers” at factories that received complaint cases. This training has delivered positive outcomes, with some factories seeing a significant reduction in reported cases following training’. [Human Rights Report 2018: query.prod.cms.rt.microsoft.com] &amp; [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]</td>
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<td>• Not Met: Describes procedures to address delays of outcomes agreed with stakeholders</td>
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### D. Performance: Company Human Rights Practices (25% of Total)

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<tr>
<td>D.4.1.b</td>
<td>Living wage (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1</td>
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<td>• Not Met: Discloses living wage requirements in supplier code or contracts: The Supplier Code of Conduct indicates: ‘Suppliers must provide fair compensation for all employees and workers, including employees who are permanent, temporary, or dispatched, migrant workers, apprentices, and contract workers. Such compensation must meet the legal minimum standards as required by local law. […] Suppliers may not use deductions from wages as a disciplinary measure. Any deductions from wages not provided for by national law or local law are permitted only with proof of express, written, and freely given permission of the worker concerned. All disciplinary measures must be recorded. Wages and benefits paid for a standard work week must meet local and national legal standards. Suppliers must provide benefits to employees that meet legal standards and at the levels expected in the industry and in accordance with Microsoft requirements’. Similar provisions are found in the Microsoft Social and Environmental Accountability (SEA) Manual. The webpage section Responsible Sourcing indicates the Microsoft Social and Environmental Accountability (SEA) Manual is incorporated into ‘our hardware and packaging supplier contracts’. Thus, it is not clear the requirement applies to all suppliers. The Supplier Code of Conduct also reiterates that it is ‘partially based on the Responsible Business Alliance (RBA) Code of Conduct’. However, it is not clear it has a timebound target for requiring its suppliers to pay all workers a living wage or that the company includes requirements to pay workers a living wage in its contractual arrangements with its suppliers or its supplier code of conduct. A living wage should cover basic needs and provide some discretionary for employees and his/her family and or depends. [2022 Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] &amp; [Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com]</td>
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<td>• Not Met: Improving living wage practices of suppliers</td>
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<td>D.4.2</td>
<td>Aligning purchasing decisions with human rights</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Avoids business model pressure on HRs (purchasing practices): The 2021 Responsible Sourcing Report indicates: ‘Suppliers’ compliance is verified by assessment and audit with multiple methods including factory tour, management interview, worker interview, and document review. If any non-conformance is identified, suppliers are required to conduct root cause analysis and provide corrective and preventive actions. This is followed up by corrective action audits to verify the closure of issues including recruitment fees, or insufficient fees repaid to workers. Failure to close these issues in the corrective action audits will result in factory restriction, which means no new Microsoft business will be awarded’. The Global Human Rights Statement indicates: ‘To advance our responsible sourcing goals, we invest heavily in our supplier relationships and our human rights commitment extends to all our suppliers. We expect all suppliers who do business with Microsoft to uphold the human rights, labor, health and safety, environmental, and ethical practices prescribed in our Supplier Code of Conduct (SCoc) and for hardware suppliers, the Microsoft Supplier Social and Environmental Accountability Manual (Suppliers SEA Manual)’. However, no description of actual practices it adopts to avoid price or short notice requirements or other business considerations undermining human rights found. In its feedback to CHRB, the Company has provided additional comments, however, it was related to the payment of its own workers during the pandemic. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] &amp; [Global Human Rights Statement, N/A: query.prod.cms.rt.microsoft.com] • Not Met: Practices adopted to pay suppliers in line with agreed timeframes • Not Met: Review own operations to mitigate negative impact Score 2 • Not Met: Meets all requirements under score 1 • Not Met: Examples of how it assessed, addressed and change purchasing practices</td>
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<tr>
<td>D.4.3</td>
<td>Mapping and disclosing the supply chain</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Identifies direct and indirect suppliers back to manufacturing sites (factories or fields): The 2021 Responsible Sourcing Report indicates: ‘Since FY19, we have enhanced our requirements on sub-tier supplier management to cascade our policy on social and environmental accountability, including freely chosen employment, to sub-tier suppliers. Suppliers are required to establish a robust supplier management system to identify and mitigate risks, including policy communication, sub-tier risk assessment and audit, non-conformance management, and closure and auditor competency. All on-site suppliers, including labor agencies, are audited annually and any non-conformance closure must follow the requirements defined by Microsoft, including repaying recruitment fees’. However, it is not clear whether the Company maps all its suppliers, including indirect ones. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com] Score 2 • Not Met: Discloses names and locations of significant parts of SP and why: The Company discloses a list of Top 100 Production Suppliers, it is ‘Based on FY21 spend for commercially available hardware products’. However, this list only includes names of suppliers, 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). [2021 Supplier List, 2022: aka.ms] • Not Met: Discloses which direct or indirect suppliers is involved in higher-risk activities</td>
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<td>D.4.4.b</td>
<td>Prohibition of child labour: Age verification and corrective actions (in the supply chain)</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Child Labour rules in codes or contracts: The Supplier Code of Conduct indicates: 'Child labor must not be used under any circumstance. Suppliers must not employ anyone under the age of 15, under the age for completing compulsory education, or under the legal minimum working age for employment, whichever requirement is most restrictive. Suppliers are required to have a remediation plan in place to ensure that, in the event of any child labor found, Suppliers must follow international standards, local legal requirements, or Microsoft’s child labor remediation requirements. Microsoft supports all forms of legal youth employment, including the development of legitimate workplace apprenticeship programs for the educational benefit of young people. Microsoft will not do business with any Supplier that uses such programs in a fraudulent or deceptive manner. Suppliers must prohibit workers who are under the age of 18 from performing work that is likely to jeopardize their health or safety such as night work, overtime, heavy lifting and working with toxic or hazardous materials'. The Microsoft Social and Environmental Accountability (SEA) Manual indicates: 'The 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'. The webpage section Responsible Sourcing indicates the Microsoft Social and Environmental Accountability (SEA) Manual is incorporated into ‘our hardware and packaging supplier contracts’. Thus, it is not clear the requirement that includes age verification applies to all suppliers. It is not clear suppliers require age verification in its contractual arrangements with its suppliers or supplier code of conduct. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] &amp; [Environmental, Social, and Public Policy Committee Charter, 06/2022: aka.ms] • Met: How working with suppliers on child labour: It indicates: 'Microsoft works directly with suppliers and NGOs, like Pact, with the goal of eradicating child labor in the mining supply chain. (...) Microsoft expanded the partnership in 2017 to Lualaba province (the former region of Katanga), a major source of cobalt and copper production. The Baadaye ya Watoto (BYD) or ‘Children’s Future’ project is a commitment that is a fundamental part of our holistic and multifaceted approach to promote safe, ethical working conditions in the farthest reaches of our supply chain. This continual commitment builds on both organizations’ long history of promoting responsible sourcing of raw materials. The BYD project focused on three major areas: Social interventions to directly remedy and prevent child labor, Systems-strengthening interventions to build local capacity among public institutions and civil society and to sustainably address child labor and its causes; and Supplier responsibility interventions to increase accountability among upstream mineral suppliers and equip them to respond to risks in their supply chains. Notable work included positive parent training, supplier training, technical support for mining regulatory service, development of neighborhood committees, providing specialized Artisanal and Small Scale Mining (ASM)–oriented curricula in savings and financial literacy for adult miners, deployment of a mobile application for savings and literacy groups, and support for key child protective services in the region. The project strived to develop solutions that are replicable and scalable throughout the DRC to ensure increased impact, and leveraged local stakeholder ownership to ensure continued results and progress well into the future. While complete results of the project will be published at the end of 2020, preliminary findings by Pact in mines where the project has been active have included: A reduction in child labor between 77 percent and 97 percent over the course of the project. Initiation or reinforcement of income-generating activity by over half of the participants of the financial literacy and savings curriculum and tool group, with many having seen an increase in their revenues as a result. Positive changes to address child labor issues in the supply chains of over half of the upstream suppliers engaged in the program'. [Hardware Supply Chain (web), N/A: microsoft.com]</td>
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<td>D.4.5.b</td>
<td>Prohibition of forced labour: Recruitment fees and costs (in the supply chain)</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1  • Met: Debt and fees rules in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers must use recruiters, employment agencies, and recruiting companies that are trained and which comply with international standards, local labor laws of the countries in which the recruitment takes place, or Microsoft requirements, whichever are stricter. Recruitment fees or other similar fees charged to workers and payable to the employer, recruiting agent, or sub-agent are strictly prohibited. If such fees are found to have been paid by workers, Suppliers will be required to repay such fees to the workers’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  • Met: How working with suppliers on debt &amp; fees: Some of the Company’s effort to build capacity and raise awareness to prevent forced labour include: ‘[engaging] with the Responsible Labor Initiative (RLI) to deliver a practical training on a Responsible Recruitment toolkit to selected suppliers in countries with forced labor and recruitment fee risks associated with foreign migrant workers’. [2021 Modern Slavery and Human Trafficking Statement, 2022: aka.ms] &amp; [Devices Sustainability Report 2019, 2020: query.prod.cms.rt.microsoft.com]  • Met: Assessment of the number affected by payment of recruitment fees: The 2021 Responsible Sourcing Report indicates: ‘In FY20, we started to track the fees repaid to workers in our supply chain. As of the end of FY21, around $1.5 million in recruitment fees and insufficient payments shortfalls were repaid to over 36,000 supplier workers as a result of our intervention’. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  • Met: Analysis of trends in progress made: The Company provides summary year-over-year data of supplier audits, which includes audits on freely chosen employment. [Devices Sustainability Report 2019, 2020: query.prod.cms.rt.microsoft.com] Score 2  • Met: Requirement for suppliers to pay workers in full and on time in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers may not use deductions from wages as a disciplinary measure. Any deductions from wages not provided for by national law or local law are permitted only with proof of express, written, and freely given permission of the worker concerned. All disciplinary measures must be recorded. Wages and benefits paid for a standard work week must meet local and national legal standards. Suppliers must provide benefits to employees that meet legal standards and at the levels expected in the industry and in accordance with Microsoft requirements’. The Microsoft Social and Environmental Accountability (SEA) Manual notes: ‘Suppliers shall not delay or withhold payments to workers’. The webpage section Responsible Sourcing indicates the Microsoft Social and Environmental Accountability (SEA) Manual is incorporated into ‘our hardware and packaging supplier contracts’. Thus, it is not clear the requirement applies to all suppliers. No evidence found that it requires the suppliers to pay workers in full and on time, in its contractual arrangements with suppliers or supplier code of conduct. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] &amp; [Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com]  • Not Met: Requirement for suppliers to pay workers in full and on time in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers must use recruiters, employment agencies, and recruiting companies that are trained and which comply with international standards, local labor laws of the countries in which the recruitment takes place, or Microsoft requirements, whichever are stricter. Recruitment fees or other similar fees charged to workers and payable to the employer, recruiting agent, or sub-agent are strictly prohibited. If such fees are found to have been paid by workers, Suppliers will be required to repay such fees to the workers’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  • Met: Analysis of trends in progress made: The Company provides summary year-over-year data of supplier audits, which includes audits on freely chosen employment. [Devices Sustainability Report 2019, 2020: query.prod.cms.rt.microsoft.com]</td>
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| D.4.5.f        | Prohibition of forced labour: Restrictions on workers (in the supply chain) | 0.5              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Free movement rules in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers, agents, and sub-agents are prohibited from requiring workers to lodge “deposits,” withholding employee identity or immigration papers (including but not limited to passports, drivers’ licenses, or work permits (regardless of the issuing authority), or destroying, concealing, confiscating, or otherwise restricting or denying workers’ access to such documents. Workers must be free to resign their employment in accordance with local and national laws or regulations without unlawful penalty’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  
• Not Met: How working with suppliers on free movement: The Supplier Code of Conduct indicates: ‘Suppliers, agents, and sub-agents are prohibited from requiring workers to lodge “deposits,” withholding employee identity or immigration papers (including but not limited to passports, drivers’ licenses, or work permits (regardless of the issuing authority), or destroying, concealing, confiscating, or otherwise restricting or denying workers’ access to such documents. Workers must be free to resign their employment in accordance with local and national laws or regulations without unlawful penalty’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  
Score 2  
• Not Met: Assessment of the number affected by retaining docs or restricting movement: The Company discloses audit findings for the year 2021. Regarding ‘Restriction of workers’ access to basic liberties’ there was 0 cases in its Cloud Sourcing and Supply Chain ad 1 in its devices factory. As for ‘Restriction of workers’ freedom of movement’ there were 0 cases reported. However, no assessment of the number affected by (scope of) retaining documents or restricting movement in its supply chain found. [2021 Modern Slavery and Human Trafficking Statement, 2022: aka.ms] & [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  
| D.4.6.b        | Freedom of association and collective bargaining (in the supply chain) | 0.5              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: FoA & CB rules in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers must respect workers’ rights to freedom of association, collective bargaining, and peaceful assembly (including the right to refrain from such activities) in accordance with local legal requirements and responsibilities, international standards such as International Labour Organization standards or Microsoft requirements, whichever are stricter. Workers should not be intimidated, harassed or face reprisal for exercising this right. When local laws or circumstances restrict this right, Suppliers should pursue other ways of engaging in meaningful dialogue with their workers on employment issues and workplace concerns’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]  
• Not Met: How working with suppliers on FoA and CB: Regarding the right to freedom of association and collective bargaining, the 2021 Responsible Sourcing Report indicates: ‘As a basic human right, it is included in our Supplier Code of Conduct and SEA Manual. We ensure these rights are respected through our due diligence processes, trainings and Workers’ Voice Hotline. If any violation is identified, the supplier is requested to correct and remediate within a certain time limit and the Responsible Sourcing team tracks progress until the issue is closed’. However, it is not clear how it proactively works to support the practices of its suppliers in relation to freedom of association and collective bargaining. The Company has provided comments to CHRB regarding this indicator. However, the content of it was already in use. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  

D.4.7.b  Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)

The individual elements of the assessment are met or not as follows:

Score 1
- Met: Sets out clear Health and Safety requirements: The Supplier Code of Conduct indicates that ‘Microsoft Suppliers are required to develop and implement health and safety management practices in all aspects of their business. Without limitation, Suppliers must: ‘Ensure compliance with all applicable occupational health and safety laws and regulations, including but not limited to requirements that address occupational safety, emergency preparedness, occupational injury and illness prevention, industrial hygiene, physically demanding work, ergonomics, machine safeguarding, sanitation, food, and housing and provide compliance evidence upon Microsoft request. [...] Provide a safe and healthy work environment for all employees, take action to manage and minimize the causes of hazards inherent in the working environment, and implement controls to protect sensitive populations. [...] Establish an occupational health and safety management system that, at a minimum, demonstrates that health and safety management is integral to the business, allows for leadership and encourages employee participation to set policy, roles, responsibilities, and accountabilities, provides for risk and hazard identification and assessment, and provides appropriate communication channels for employee access to health and safety information. This management system must include procedures and processes to address incident recordkeeping, investigation, correction action, and continual improvement. [...] Prohibit the use, possession, distribution, or sale of illegal drug’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com]
- Met: Injury rate disclosures and lost days (or near miss disclosures) for the last reporting period: It indicates: ‘We collect data on work-related injuries and illnesses at our key Tier 1 Assembly suppliers’ factories’. The recordable injury rate for FY21 was 0.016. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]
- Not Met: Fatalities disclosures for lasting reporting period: Also: ‘Key Tier 1 Assembly supplier factories must record all work-related accidents, injuries, illnesses, and fatalities in line with US Occupational Safety and Health Administration (OSHA) Standards’. However, no figures on fatalities found. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]
- Not Met: Occupational disease rates for the last reporting period: Also: ‘Key Tier 1 Assembly supplier factories must record all work-related accidents, injuries, illnesses, and fatalities in line with US Occupational Safety and Health Administration (OSHA) Standards’. However, the occupational disease rate for the last reporting period is not clear.

Score 2
- 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]
- Not Met: Assessment of the number affected by H&S issues in the SP: The Company discloses the FY21 audit results for ‘Occupational safety’: 145. However, no assessment of the number affected by (scope of) health and safety issues in its supply chain found. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]
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| D.4.8.b       | Women’s rights (in the supply chain)| 0.5             | The individual elements of the assessment are met or not as follows:  
**Score 1**  
• *Not Met: Women’s rights in codes or contracts:* The Supplier Code of Conduct indicates: ‘Suppliers must commit to a workforce and workplace free of harassment, unlawful discrimination, and retaliation. Suppliers should ensure their business practices respect the rights of different demographic groups, including women, and migrant workers. [...] Suppliers must provide equal opportunity in the workplace [...] and not engage in harassment or discrimination in employment on the basis of [...] sex (including pregnancy) [...] Supplier shall not require workers or potential workers to undergo medical tests including pregnancy tests, except where required by applicable laws or regulations or prudent for workplace safety and shall not improperly discriminate based on test results’. The Microsoft Supplier Social and Environmental Accountability Manual indicates: ‘Workers or potential workers shall not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way’. The webpage Responsible Sourcing indicates the Microsoft Social and Environmental Accountability (SEA) Manual is incorporated into ‘our hardware and packaging supplier contracts’. Thus, it is not clear the requirement applies to all suppliers. Thus, it is not clear the requirement applies to all suppliers. However, it is not clear the Company requires suppliers to provide equal pay for equal work, introduce measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers in its contractual arrangements or Supplier Code of Conduct.  
• *Met: How working with suppliers on women’s rights:* The 2020 Devices Responsible Sourcing Report indicates: ‘we have partnered with Pact, an international NGO, to implement programming that has sought to address critical concerns in the mining sector in the Democratic Republic of Congo. Pact’s programming has sought to reduce child labor and to promote safe, ethical working conditions in the mining sector, but also to address root causes by building capacity in mining-affected communities with literacy programs and micro-banking initiatives to assist women and girls with access to credit and finance to build household incomes and reduce the reliance on children for supporting household incomes’. Also, ‘This year, Pact focused on community sensitization activities, literacy trainings for the community and participation in a micro-banking program that empowers women to lift themselves out of poverty. The WORTH project brings women and older girls together in groups of 20-25 people to save money, access credit and start small businesses’. Finally, ‘In FY20, 5,853 supplier workers were trained on personal health by our Tier 1 suppliers through HER projectTM, initiated by Microsoft – a collaborative initiative that strives to empower low-income women working in global supply chains’. [2020 Devices Responsible Sourcing Report, 2021: query.prod.cms.rt.microsoft.com]  
**Score 2**  
• *Not Met: Assessment on the number affected by discrimination or unsafe working conditions*  
• *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, no further info found including trends that capture women’s rights-related issues. No information regarding women’s rights in the supply chain could be found in the latest Devices Sustainability report. [Devices Sustainability Report 2018: query.prod.cms.rt.microsoft.com] & [Devices Sustainability Report 2019, 2020: query.prod.cms.rt.microsoft.com] |
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| D.4.9.b       | Working hours (in the supply chain)                | 0.5              | The individual elements of the assessment are met or not as follows:  
|               |                                                   |                  | Score 1  
|               | • Met: Working hours in codes or contracts: The Supplier Code of Conduct indicates: ‘Suppliers are prohibited from requiring workers to work more than the maximum hours as set by international standards, including the International Labour Organization, around standard working hours (Conventions 1, 14, & 106), local and national laws, Microsoft requirements, or in the freely negotiated and legitimate collective agreement, whichever are most restrictive. [...] A work week must not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers must be allowed at least one day off per seven-day work week. Suppliers must keep employee working hours and pay records in accordance with local and national laws or regulations and provide such records to Microsoft upon request’. [Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] & [Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com]  
|               | • Not Met: How working with suppliers on working hours: The 2021 Responsible Sourcing Report indicates that the ‘Responsible Sourcing team continued to map existing and newly emerging labor risks in the global supply chain, including risks associated with [...] working hours’. Also, ‘Working hours, wages and benefits, and ethics and freely chosen employment were among the top non-conformances found during audits’. As for its grievance channel, ‘The majority of cases concerned wages and benefits, working hours, humane treatment, freely chosen employment, sanitation, food, housing and transportation, legal and customer requirements, industrial hygiene, worker feedback and participation, and disclosure of information. [...] The Responsible Sourcing team investigated all reported issues with support from third-party auditors. The investigations also identified risks and NCs that related to overtime, rest days, young workers, student workers, social insurance, and working hour records. We worked closely with the suppliers to take timely actions to correct the issues and mitigate identified risks’. However, although the Company indicates that it has worked with supplier, this seem to be a corrective action measure. The indicator looks for evidence of proactive work done with suppliers to prevent working hours issues. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  
|               |                                                   |                  | Score 2  
|               | • Not Met: Assessment of number affected by excessive working hours: The Company discloses the FY21 audit results for working hours: 292. However, no assessment of the number affected by (scope of) excessive working hours in its supply chain found. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  
|               | • Met: Provide analysis of trends in progress made: The Company preforms yearly audits on suppliers. Part of this audit includes working hours. The Company provides a graph which shows the evolution of non-compliance related to this topic, from 2017 to 2019, which demonstrates continued improvement with fewer cases of non-compliance every year. [Devices Sustainability Report 2019, 2020: 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 | 0.5              | The individual elements of the assessment are met or not as follows:  
|               |                                                   |                  | Score 1  
|               | • Met: Due diligence in accordance with OECD Guidance in supplier contracts: The Company ‘requires its suppliers to source responsibly, including with respect 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 required 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 for hardware suppliers laid out in the Social and Environmental Accountability Manual, which include issues like human rights violation, child labour, conflict, corruption and environment’. [Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com]  


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| D.4.10.b       | Responsible mineral sourcing: Risk identification and responses in mineral supply chain | 2               | - Not Met: Works with smelters/refiners and suppliers to build capacity: Regarding capacity building for its raw material supply chain, the 2021 Responsible Sourcing Report indicates: 'Training employees, suppliers, and raw materials harvesters and extractors to conduct due diligence and uphold our standards, including through Microsoft’s SEA Academy'. Also, 'We will continue to work closely with the Responsible Minerals Initiative (RMI) as it engages with smelters to oversee an industry-wide assurance process that provides downstream purchasers, such as Microsoft, with confidence in the raw materials used in their manufacturing processes'. However, it is not clear what is the actual work conducted with smelters/refiners specifically to contribute to building their capacity in risk assessment and improving their due diligence performance (including through industry-wide initiatives). [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  
Score 2  
- Met: Contractual requirement to disclosure smelter/refiner information: 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. [Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com]  
- Met: Contractual requirement 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'. [Responsible sourcing of raw materials policy, 10/2018: query.prod.cms.rt.microsoft.com]  

The individual elements of the assessment are met or not as follows:  
Score 1  
- 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 demonstrates that analyses 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, because of demands for water and mine site pollution'. See below additional information from the Conflict minerals report. [Microsoft Supplier Social and Environmental Accountability Manual 2019, 12/2019: download.microsoft.com] & [Devices Sustainability Report 2019, 2020: query.prod.cms.rt.microsoft.com]  
- Met: Identification of smelter/refiners and OECD Guidance: '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 Reasonable Country of Origin data through our membership in the RMAP using the Reasonable Country of Origin Inquiry Data for member MSFT. We used this data to determine the 3TG country of origin for the 233 SORs identified in Microsoft Devices’ 2019 supply chain.' This system checks against the RMAP, London Bullion Market Association ("LBMA"), or Responsible Jewellery Council ("RJC") to see if smelters and refiners are conformant. [Conflict Mineral Report 2019, 2019: aka.ms] & [Microsoft Supplier Social and Environmental Accountability Manual 2019, 12/2019: download.microsoft.com]  

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| D.4.10.c       | Reporting on responsible sourcing of minerals | 0.5 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Describes mineral risk management plan for supply chain: For each mineral identified in its Sustainability Report, the Company provides yearly goals and updates. For example, in order to combat health risks associated with aluminium, the Company took the following actions: ‘Internal cross-functional teams are working to understand the feasibility of recycled aluminium with many of our products and are looking for more initiatives to increase the production efficiency of material usage. We continue to seek opportunities to leverage our technology to improve aluminium supply chains.’ Additionally, in its Conflict Minerals Report, the Company discloses tools for risk mitigation, which include supplier requirements, training, capability building and partnerships, and supplier audits and conformance assurance. ‘In addition, the Company reports (sustainability report 2018) 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 neighbourhood committee and mine outreach group’, ‘baseline surveys’, etc. [Corporate Social Responsibility Report 2019, 2020: aka.ms] & [Conflict Mineral Report 2019, 2019: aka.ms]  
• Not Met: Monitoring, tracking and whether better risk prevention/mitigation over time: In the 2021 Responsible Sourcing Report, the Company details its approach to sourcing raw material responsibility. However, no description of the processes to monitor/track performance of risk mitigation measures found. [2021 Devices Responsible Sourcing Report, 2022: query.prod.cms.rt.microsoft.com]  
• Not Met: Disclose better risk prevention/mitigation over time  
Score 2  
• Not Met: Suppliers and stakeholders engaged in risk management strategy: It indicates: ‘We work closely with our in-scope suppliers to ensure that they share and extend our responsible sourcing commitment to their upstream suppliers. (…) We drive responsible sourcing through our extended supply chain by surveying our in-scope suppliers’ sourcing of raw materials in their upstream supply chains by using contractual provisions and Microsoft specifications. We conduct audits of our contracted suppliers to verify conformance to those requirements’. It then discloses different ways it engages with suppliers. However, it is not clear how it engages with suppliers and affected stakeholders to agree on its strategy for risk management. [2020 Conflict Minerals Report, 2021: aka.ms] |
### E. Performance: Responses to Serious Allegations (20% of Total)

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| E(1.0)         | Serious allegation No 1         | 0                | Area: Child labour; health & safety  
                  |                   |                  | Headline: Microsoft accused of being complicit in child labour in DRC  
                  |                   |                  | Story: On December 15th, 2019, a legal complaint was filed in the U.S. District Court of Washington D.C. by human rights NPO International Rights Advocates, on behalf of 14 families from the Democratic Republic of Congo (DRC), against Microsoft, Tesla, Alphabet (Google), Dell and Apple. The lawsuit accuses the companies of aiding and abetting in the death and serious injury of children who were reportedly working in cobalt mines operated by Kamoto Copper Company, owned by Glencore.  
                  |                   |                  | The complaint alleges that the defendants have known for a "significant period of time" that the DRC's mining sector "is dependent upon children. The claim further alleged that cobalt from the Glencore-owned mines was sold to Umicore, which in turn sells battery-grade cobalt to Apple, Google, Tesla, Microsoft and Dell. These companies, according to the lawsuit, should have the ability to overhaul their cobalt supply chains to ensure safer working conditions.  
                  |                   |                  | The lawsuit alleged that the children, some as young as 6 years old, were forced by their families' extreme poverty to leave school and work in cobalt mines owned by Glencore. According to the complaint, six of the fourteen children were killed in tunnel collapses, while others suffered life-altering injuries, including paralysis. Some children were working 6 days a week "under stone age conditions for paltry wages" as little as USD 1.50 per day, the claim alleged.  
| E(1.1)         | The company has responded publicly to the allegation | 0 | The individual elements of the assessment are met or not as follows:  
                  |                   |                  | Score 1  
                  |                   |                  | Not Met: Public response: According to the Guardian, 'Microsoft did not respond to a request for comment, but a spokesperson told the Daily Telegraph: "If there is questionable behaviour or possible violation by one of our suppliers, we investigate and take action." However, this is not a sufficient response in the context of this datapoint as it does not acknowledge the existence of an allegation.  
                  |                   |                  | The company provided feedback for this indicator, however, it has been found not material for the assessment. [The Guardian, 16/12/2019, "Apple and Google
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| E(1).2        | The company has investigated and taken appropriate action | 0.5 | The company investigated and took appropriate action. The individual elements of the assessment are met or not as follows:  
- **Score 1**  
  - **Not Met: Engaged with stakeholders:** Microsoft refers to a partnership with Pact as being the company’s main channel of addressing child labor issues in the DRC. However, none of the information found by the CHRB relates to the specific allegation or indicates engagement with the affected stakeholders.  
  - **Not Met: Identified cause:** Pact provides some reports regarding the issue of child labor in the mining sector in DRC, however, they date back to 2014 and 2016 and do not relate to the specific allegation. Reports by Pact for 2019 and 2020 could not be accessed by the CHRB. |
| E(1).3        | The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies) | 0 | The company engaged with affected stakeholders to provide for or cooperate in remedy(ies). The individual elements of the assessment are met or not as follows:  
- **Score 1**  
  - **Not Met: Provided remedy**  
  - **Not Met: Evidence for lack of Impact or link:** The lawsuit against the company was dismissed. However, the dismissal was based on questions of jurisdiction not on the merits of the case, therefore, it does not suffice as evidence for a lack of impact or link. |

Sources:
- "The company investigated and took appropriate action." [query.prod.cms.rt.microsoft.com]
- "The company engaged with affected stakeholders to provide for or cooperate in remedy(ies)." [query.prod.cms.rt.microsoft.com]
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<tr>
<td>Score 2</td>
<td>• Not Met: Remedy satisfactory to stakeholders</td>
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<td>Score 2</td>
<td>• Not Met: Remedy delivered</td>
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<td>Score 2</td>
<td>• Not Met: Independent remedy process used: The lawsuit against the company is an independent process as required by this datapoint. However, the dismissal was based on jurisdiction not on the merits of the case, therefore, it does not suffice as evidence for a lack of impact or link. [Business and Human Rights Resource Centre, 12/11/2021: business-humanrights.org]</td>
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**E(2).0** Serious allegation No 2

- **Score 2**
  - Area: Discrimination
  - Headline: Microsoft's women employees alleged sexual harassment, which reports were overlooked by HR
  - Story: On March 20, 2019, an email chain circulated around Microsoft in which women employees shared stories of various cases of sexual harassment and inequality within the Company. The chain started when one employee asked other women at the Company for advice on how to move up in the organisation, after six years in the same position without seeing the possibility of advancement. Press sources report that dozens of women then shared their own frustrations about discrimination and sexual harassment situations.

  In the thread, women employees alleged that they were facing sexist or lewd comments, slurs, inappropriate gestures, or given tasks that did not reflect their position, among others. According to press sources, a recurrent allegation was made about reports being made to the Human Resources department but apparently mostly ignored or overlooked.

  [Quartz, 04/04/2019, “Amid employee uproar, Microsoft is investigating sexual harassment claims overlooked by HR”: qz.com] [Gameinformer, 07/04/2019, “Amid Numerous Sexual Harassment Stories, Microsoft Pledges To Do Better”: gameinformer.com] [Forbes, 13/01/2022, K25/"Microsoft Promises Public Investigation Into Sexual Harassment Policies": forbes.com]

**E(2).1** The Company has responded publicly to the allegation

- **Score 2**
  - Met: Public response: In response to the allegation, Kathleen Hogan, Microsoft’s head of human resources stated: “I discussed this thread with the [senior leadership team] today. We are appalled and sad to hear about these experiences. It is very painful to hear these stories and to know that anyone is facing such behavior at Microsoft. We must do better”. [Quartz, 04/04/2019: qz.com]

  **Score 2**
  - Met: Detailed response: In response to the allegation, Kathleen Hogan, Microsoft’s head of human resources stated: “I discussed this thread with the [senior leadership team] today. We are appalled and sad to hear about these experiences. It is very painful to hear these stories and to know that anyone is facing such behavior at Microsoft. We must do better”. Hogan wrote. “I would like to offer to anyone who has had such demeaning experiences including those who felt were dismissed by management or HR to email me directly. I will personally look into the situation with my team.” [Quartz, 04/04/2019: qz.com]

**E(2).2** The Company has appropriate policies in place

- **Score 1**
  - Not Met: Engaged with stakeholders: Microsoft has hired a law firm to publicly evaluate the company’s handling of sexual harassment and gender discrimination claims and as part of understanding the situation. In November 2021, Microsoft shareholders voted to approve a proposal asking the board of directors to produce a public report about the company’s harassment policies. However, it is unclear whether this investigation will include engagement with affected stakeholders. There is also no information available whether the company itself has engaged with affected stakeholders. [Forbes, 13/01/2022: forbes.com]

  **Score 2**
  - Not Met: Identified cause: The company has published a document called "Microsoft Board Initiates Review of Sexual Harassment and Gender Discrimination Policies". However, Microsoft didn’t identify the cause yet.

  **Score 2**
  - Met: Identified and implemented improvements: The company initiated a review of the sexual harassment and gender discrimination policies.

  **Score 2**
  - Not Met: Stakeholder input to steps taken: Considering the 2021 Annual Shareholders Meeting, Satya Nadella, Microsoft’s Chairman and CEO, said “Our culture remains our number one priority and the entire Board appreciates the critical importance of a safe and inclusive environment for all Microsoft employees. We’re committed not just to reviewing the report but learning from
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| E(2).3         | The Company has taken appropriate action | 0              | The individual elements of the assessment are met or not as follows: Score 1  
• Not Met: Provided remedy  
• Not Met: Evidence for lack of Impact or link  
Score 2  
• Not Met: Remedy satisfactory to stakeholders  
• Not Met: Remedy delivered  
• Not Met: Independent remedy process used |
| E(3).0         | Serious allegation No 3 | 1              | • Area: Forced labour  
• Headline: Microsoft among companies accused of using suppliers linked to forced labour in China  
• Story: On March 1st, 2020, the Australian Strategic Policy Institute (ASPI) released a report called "Uyghurs for sale" that named Microsoft among 83 companies benefiting from the use of potentially abusive labour transfer programmes. According to the report, more than 80,000 Uighur residents and former detainees from the north-western region of Xinjiang, China have been transferred to factories, implicating global supply chains. It is alleged that Muslim minorities are working in forced labour conditions across the country. The ASPI report said that workers live in segregated dormitories, are required to study Mandarin and undergo ideological training. In addition, the think tank said that the workers were allegedly transferred out of Xinjiang between 2017 and 2019 and claimed that people are being effectively "bought" and "sold" by local governments and commercial brokers.  
The ASPI used open-source public documents, satellite imagery, and media reports, allowing to identify 27 factories in nine Chinese provinces that have used labourers. The research found up to 560 Xinjiang workers were transferred to work several factories including to Foxconn Technology, that supplies brands such as Amazon, Apple, Dell, Google, Huawei and Microsoft. Other factory implicated is O-Film Technology which supplies Apple, Huawei, Lenovo and Samsung with camera and touchscreen components.  
ASPI researchers stated: "This report exposes a new phase in China's social re-engineering campaign targeting minority citizens, revealing new evidence that some factories across China are using forced Uighur labour under a state-sponsored labour transfer scheme that is tainting the global supply chain". The report calls on companies mentioned to "conduct immediate and thorough human rights due diligence on its factory labour in China, including robust and independent social audits and inspections."  
On July 20, 2020, O-Film subsidiary Nanchang, a Microsoft supplier, was one of the eleven companies blacklisted by the U.S. Department of Commerce's Bureau of Industry and Security over alleged human rights abuses involving Uighur Muslims in China.  
According to the U.S. Department of Commerce, the O-Film subsidiary was named on the list "in connection with the forced labour of Uighurs and other Muslim minority groups in western China". Companies on the list must apply for special licenses to access U.S. technologies.  
[ABC, 01/03/2020, “Apple, Nike and other major companies implicated in Muslim forced labour in China”: abc.net.au]  
[Australian Strategic Policy Institute, 01/03/2020, “Uyghurs for sale”: aspi.org.au]  
[The Guardian, 01/03/2020, “China transferred detained Uighurs to factories used by global brands – report”: theguardian.com]  
[ZDNet, 22/07/2020, “US adds 11 more Chinese companies to entity list for Uyghur human rights violations”: zdnet.com] |
| E(3).1         | The Company has responded publicly to the allegation | 1              | The individual elements of the assessment are met or not as follows: Score 1  
• Met: Public response: The company did not respond to the allegations when contacted by the Australian Strategic Policy Institute (ASPI) prior to publishing its report. However, the company responded publicly to the allegations following a joint communication by UN Working Group on Business and Human Rights.  
[Australian Strategic Policy Institute, 01/03/2020: ad-aspi.s3.ap-southeast-] |
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<tr>
<td>E(3).2</td>
<td>The Company has appropriate policies in place</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Engaged with stakeholders: The company states that, &quot;Through our Devices’ responsible sourcing supply chain assurance program, we actively use supplier risk assessments, third party audits, and a worker grievance hotline to understand, identify, and remediate forced labor risks.&quot; However, there is no evidence that these processes were delivered in response to the allegations or that the third party audits were authorised by affected stakeholders as their legitimate representative. The company provided feedback for this indicator, however it has been found not material for the assessment. In the feedback provided, the company outlines its practices, policies and programmes to counter modern slavery in its operations and supply chain. However, there is no reference to the specific allegation. Therefore, the feedback does not provide any new relevant information with respect to the allegation and therefore does not allow for a change in the assessment for the indicator. [Microsoft response to joint communication by Special Procedures dated 12/03/21 (OTH 133/2021), 12/05/2021: spcommreports.ohchr.org] [Device Responsible Sourcing 2021, 2021: query.prod.cms.rt.microsoft.com] &amp; [2022 Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] • Not Met: Identified cause Score 2 • Not Met: Identified and implemented improvements: The company states, “We have improved our risk screening for potential forced labor risk during the supplier onboarding process and, after onboarding, we work closely with our suppliers to ensure that they continue to meet our requirements, including our forced labor prohibitions.” However, there is no evidence available that changes was introduced with reference to the allegations. See above. The company provided feedback for this indicator, referencing its 2021 Devices Responsible Sourcing Report, however, the information presented in the report was not clearly linked to the specific allegation. It has therefore been found not material for the assessment. [Microsoft response to joint communication by Special Procedures dated 12/03/21 (OTH 133/2021), 12/05/2021: spcommreports.ohchr.org] [Device Responsible Sourcing 2021, 2021: query.prod.cms.rt.microsoft.com] &amp; [2022 Supplier Social and Environmental Accountability Manual, 07/2022: query.prod.cms.rt.microsoft.com] &amp; [2022 Supplier Code of Conduct, 2022: query.prod.cms.rt.microsoft.com] • Not Met: Stakeholder input to steps taken</td>
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<tr>
<td>E(3).3</td>
<td>The Company has taken appropriate action</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Provided remedy • Not Met: Evidence for lack of Impact or link: The company states, “Our review of audit and procurement records did not uncover any evidence that would indicate a connection between Microsoft and alleged forced labor in or from the Xinjiang Uyghur Autonomous Region.” However, the company does not provided detailed evidence of its records to support its conclusion. The company does not list O-Film as one of its 100 top suppliers. The disclosure does, however, include other firms implicated in the forced labour allegations</td>
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| E(4).0         | Serious allegation No 4 | 0               | • Area: Discrimination  
• Headline: Microsoft Hiring Bias Settlement Side-steps DOL Pay Claims  
• Story: Audits of several Microsoft locations across the U.S. found that the technology company’s hiring practices resulted in “a statistically significant disparity” against minority applicants, the DOL’s Office of Federal Contract Compliance Programs said in a conciliation agreement dated Sept. 4, 2020.  
Microsoft allegedly discriminated against Asian applicants at its location in Las Colinas, Texas; Black and Hispanic applicants in Redmond, Wash.; Asian applicants in New York City; and Asian applicants in Cambridge, Mass. The company will pay $3 million to settle Labor Department allegations of race discrimination in hiring, under the agreement that doesn’t directly address previous claims of pay bias against women from the same agency audits.  
| E(4).1         | The Company has responded publicly to the allegation | 0               | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Public response: The company provided a public statement on the conciliation agreement. However, there is no evidence that the company responded publicly to the allegations of hiring discrimination when first raised by the United States Department of Labor’s Office of Federal Contract and Compliance Programs.  
[Bloomberg Law, 17/09/2020: news.bloomberglaw.com]  
Score 2  
• Not Met: Detailed response: See above. |
| E(4).2         | The Company has appropriate policies in place | 0.5             | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not Met: Engaged with stakeholders: The investigation was undertaken by the United States Department of Labor’s Office of Federal Contract and Compliance Programs (OFCCP). However, there is no evidence to suggest that the OFCCP was mandated by affected stakeholders as their legitimate representative to investigate the allegations since the claim arose as part of an OFCCP audit.  
• Not Met: Identified cause: There is no evidence available to suggest the company identified the cause of the allegation.  
Score 2  
• Met: Identified and implemented improvements: The company states that it had already addressed the concerns of the United States Department of Labor’s Office of Federal Contract and Compliance Programs by the time of the conciliation agreement. There is no evidence to suggest that the company has not implemented improvements with respect to alleged hiring discrimination.  
[Bloomberg Law, 17/09/2020: news.bloomberglaw.com]  
• Not Met: Stakeholder input to steps taken |
| E(4).3         | The Company has taken appropriate action | 2               | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Provided remedy: The company entered into a conciliation agreement with the United States Department of Labor’s Office of Federal Contract and Compliance Programs and there is no evidence to indicate that the agreed settlement was not paid.  
• Not Met: Evidence for lack of Impact or link  
Score 2  
• Met: Remedy satisfactory to stakeholders: There is no evidence to suggest that the remedy was not satisfactory.  
• Met: Remedy delivered: There is no evidence to suggest the remedy was not delivered as agreed.  
• Met: Independent remedy process used |
| E(5).0         | Serious allegation No 5 | 2               | • Area: Discrimination  
• Headline: Microsoft investors seek investigation into handling of alleged misconduct by Bill Gates and the company’s sexual harassment policies |
In June 2021 Microsoft investors have voiced concern over the company’s sexual harassment and discrimination policies after discovering allegations of sexual misconduct of then CEO Bill Gates. Gates allegedly engaged in inappropriate behaviour towards female Microsoft employees on several occasions. He has also been criticised for his friendship to Jeffery Epstein.

The investor group that raised the issue claims that in 2019 several women have come forward with claims that management has not taken their concerns regarding sexual harassment and discrimination seriously. The group says that “Reports of Bill Gates’ inappropriate relationships and sexual advances towards Microsoft employees have only exacerbated concerns, putting in question the culture set by top leadership, and the board’s role holding those culpable accountable.”

[Newsweek, 16/06/2021, “Investors Urge Microsoft to Investigate Sexual Harassment in Wake of Gates Allegations”: newsweek.com] [Business Insider, 13/11/2021, “Microsoft investors seek investigation into handling of alleged misconduct by Bill Gates and the company’s sexual harassment polices”: businessinsider.com]

E(5).1 The Company has responded publicly to the allegation

The individual elements of the assessment are met or not as follows:

Score 1
- Not Met: Public response: The company did not comment on the investor resolution when it was presented in June 2021. The company is reported as stating that it would publish more information on sexual harassment investigations. The company published a statement in January 2022 stating that it was hiring a third party law firm to review its sexual harassment and gender discrimination policies. However, there is no evidence that the company has responded to the allegation of inadequately investigating harassment allegations. [Aljazeera, 16/06/2021, “Microsoft shareholder seeks report on Gates, sexual harassment”: aljazeera.com] [Reuters, 13/01/2022, “Microsoft board to review sexual harassment, discrimination policies”: reuters.com] [The Register, 14/01/2022, “Microsoft hires law firm to review sexual harassment policies, probe gender discrimination”: theregister.com] [Microsoft Board Initiates Review of Sexual Harassment and Gender Discrimination Policies, undated: view.officeapps.live.com]

Score 2
- Not Met: Detailed response: There is no evidence that the company has responded to the allegation of inadequately investigating harassment allegations.

E(5).2 The Company has appropriate policies in place

The individual elements of the assessment are met or not as follows:

Score 1
- Not Met: Engaged with stakeholders: There is no evidence to suggest that the company has engaged with affected stakeholders to understand the cause of the alleged events. There is further no evidence that affected stakeholders authorised the company’s third-party law firm to represent them in an investigation.
- Not Met: Identified cause

Score 2
- Not Met: Identified and implemented improvements: The company’s response states that its “review will benchmark Microsoft’s current practices against “best practices” adopted by other companies, with the goal of identifying additional opportunities for improvement.” However, there is no evidence that the company has identified and/or implemented improvements. [Microsoft Board Initiates Review of Sexual Harassment and Gender Discrimination Policies, undated: view.officeapps.live.com]
- Not Met: Stakeholder input to steps taken

E(5).3 The Company has taken appropriate action

The individual elements of the assessment are met or not as follows:

Score 1
- Not Met: Provided remedy
- Not Met: Evidence for lack of Impact or link

Score 2
- Not Met: Remedy satisfactory to stakeholders
- Not Met: Remedy delivered
- Not Met: Independent remedy process used

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 2020 Key Findings report and the 2019 technical annex for more details of the research process.
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