

## Microsoft Stakeholder Engagement in the Governance of Corporate Social Responsibility

We know that our decisions can affect our employees, users, partners, shareholders, suppliers, and communities. So, we seek to ensure that their voices are considered as we make decisions. Microsoft gets input from millions of people each year, ranging from individual users to policymakers and global human rights specialists.

We bring outside perspectives into the company and inform our business decisions through a variety of feedback channels. In addition to using formal channels, we proactively engage and talk to key stakeholders, advocacy groups, widely recognized experts, CSR rating agencies and CSR-focused investors, and many others. We also work to share our learnings and practices to generate industry dialogue, inform public debate, and advance greater progress

The following table shows the types of stakeholders we engage, how we engage with them, and examples of results.

### *Stakeholder engagement overview*

Stakeholder groups	Examples of engagement	Selected results
Customers	We gain insights from: <ul style="list-style-type: none"> <li>• Online feedback</li> <li>• Support communities</li> <li>• Product satisfaction surveys</li> <li>• Usability studies</li> <li>• Research forums</li> <li>• Business account managers</li> <li>• Our customer service representatives</li> </ul>	Customer feedback and insights are critical in shaping how we enhance existing products and services and develop new ones.  For example: In FY18, the Windows Insider program reached 15 million customers and developers to gain their feedback on Windows 10, which helped shape key updates to the product.  The Disability Answer Desk is where customers with disabilities can get support with Microsoft Office, Xbox, and Windows. This includes product issues, accessibility questions and use of assistive technology. Customers can get help for free via phone,

		<p>chat, ASL in 18 markets across 3 languages. Disability Answer Desk is used to provide feedback to Microsoft on future product feature requests.</p>
Investors	<p>Beyond traditional investor communications such as earnings calls and our annual meeting, we seek to proactively provide investors with corporate governance information through diverse communications, including a director video interview series and direct communications from independent members of our board to shareholders.</p> <p>We proactively reach out to institutional investors—including public pension funds and socially responsible investors—about governance and citizenship-related topics. We deliver a summary of their feedback to the board.</p> <p>In FY18, these engagements reached investors holding over 46 percent of our outstanding shares. We seek to transparently provide information sought by socially responsible investors and corporate responsibility rating agencies and seek their insights to identify new and emerging CSR issues.</p>	<p>Our engagement with investors has influenced many important parts of our CSR strategy, such as our human rights commitments under the Global Network Initiative, a collaborative effort between information and communications technology (ICT) companies, human rights groups, socially responsible investors, and others.</p> <p>Investors are an important influence as we consider ways to enhance our corporate governance principles and policies to serve the interests of our shareholders and other stakeholders.</p>
Employees	<p>We ask for—and act on—employee feedback in multiple ways, including conducting an annual online anonymous poll of all our employees around the</p>	<p>Microsoft’s Senior Leadership Team and individual managers use the poll results to further improve on areas of strength and address opportunities for improvement.</p>

	<p>world. MS Poll, with a nearly 85 percent response rate, asks employees to share feedback about the Microsoft work experience, including how they feel about their workgroups, organization, and company as a whole.</p> <p>Microsoft offers employees, customers, suppliers, and other external parties multiple ways to report compliance concerns as described in the Corporate Governance and Ethics report on the CSR website.</p>	
Suppliers	<p>We engage with suppliers through capacity-building workshops and trainings, supplier advisory boards, an annual supplier summit (hosted by us), and participation in industry coalitions, such as the Electronics Industry Citizenship Coalition. We also conduct anonymous Voice of the Supplier Surveys, which include questions on CSR issues.</p>	<p>Our work to address environmental and social issues in collaboration with our suppliers is detailed in the Microsoft Devices Social and Environmental Accountability report on the CSR website.</p>
Civil society/nongovernmental organizations	<p>Across the breadth of our business, we engage with thousands of NGOs working on issues ranging from environmental sustainability to employee diversity to child safety.</p>	<p>Virtually all of the initiatives described throughout our CSR reporting have benefited from insights provided by NGOs and, in many cases, involve active ongoing partnerships with them.</p>
Communities	<p>Microsoft's local CSR teams work directly with community groups and in partnerships with local nonprofits. They share views and insights from local communities with Microsoft's global CSR team in direct communications,</p>	<p>Microsoft's YouthSpark Initiative and Office 365 for Nonprofits program were both strongly shaped by input from local communities about the best way to serve economic and social needs in their area.</p>

	through regular conference calls, and at an annual global summit.	Microsoft's YouthSpark Initiative and Office 365 for Nonprofits program were both strongly shaped by input from local communities about the best way to serve economic and social needs in their area.
Industry coalitions and public-private partnerships	Microsoft actively participates in industry coalitions to address important CSR issues. In many cases, Microsoft is among the leaders bringing companies together to work collaboratively to solve challenges.	Microsoft has helped establish groups that help set the standard for responsible business practices in the ICT industry, ranging from the Electronics Industry Citizenship Coalition and Global Network Initiative to the International Association of Accessibility Professionals.
Policymakers	Microsoft engages actively in policy issues relevant to our business, both directly and through industry associations. We seek to ensure that our participation in the political process takes place in the light of day and for reasons that are clear and justifiable to our shareholders and the public.	Microsoft is recognized as a leader for policies that help to ensure the accountability and transparency of our engagement in the public policy process.
International Government Organizations	Microsoft engages with a broad range of UN agencies and other international government organizations on in a range of ways from one-time consultations to formal long-term partnerships.	As just one example, Microsoft has a formal Memorandum of Understanding with the Office of the United Nations High Commissioner for Human Rights (OHCHR) to develop technology tools that advance its mission.