Responsible Sourcing of Raw Materials Policy

Our Vision

We hold ourselves and our supply chain accountable to address the risks associated with raw materials extraction, harvesting, processing, refining and transportation. We envision a future where all raw materials, unbounded by specific materials or locations, are sourced from responsible suppliers.

Our Standards

The Microsoft Responsible Sourcing of Raw Materials (RSRM) Policy extends our Supplier Code of Conduct to the furthest reaches of our upstream supply chain in support of human rights; labor, health, safety and environmental protection; and business ethics. We require our suppliers to incorporate these RSRM requirements in their own sourcing practices, contracts and supplier management. Our RSRM requirements are integrated into our Supplier Social and Environmental Accountability (SEA) Supplier Manual. We believe, through strong partnerships with our suppliers and key stakeholders, we can positively influence our raw materials supply chain.
Our Strategy

1- **Supply Chain Identification and Risk Assessment**: We work with our suppliers to map the supply chain of identified key raw material to their raw material source where they are extracted and harvested. 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](https://www.oecd.org). We complement our supply chain information with independent research, third party materials, and country risk information to develop complete risk profiles for key materials used in our devices. This allows us to prioritize and focus our efforts accordingly.

2- **Standardized Requirements and Verification**: Microsoft integrates our RSRM requirements into our broader supplier requirements to establish verifiable standards. All directly contracted suppliers are required to meet these standards and their conformance is validated through an independent audit. Microsoft works to ensure that our suppliers understand and support our RSRM policy by incorporating the standardized requirements in their own sourcing policy, procedures, and contracts. This enables Microsoft’s RSRM requirements to be cascaded deeper into our supply chain and extends our due diligence to upstream suppliers where Microsoft may not have a contractual relationship.

3- **Capability Building**: Performance monitoring, which provides a snapshot in time, will not achieve effective results on its own. We work closely with our upstream supply chain and NGO partners to build capabilities to reach our shared goals. We invest in programs that improve stakeholders’ capabilities and provide them with access to technology and other platforms to drive further transparency and accountability. These platforms also allow different stakeholders to learn from each other and exchange best practices. We also provide training to our Microsoft employees, suppliers, and raw materials harvesters and extractors to build awareness and their ability to conduct due diligence.

4- **Transparency**: We welcome principle-based, open, and honest conversations with our stakeholders. Increasing the transparency of our supply chain due diligence can identify opportunities for program improvements and further collaboration. We strive to share accurate, timely, and relevant information on our supply chain’s responsible sourcing activities and challenges. We apply reporting frameworks to ensure that we report relevant material and internationally endorsed metrics.

5- **Partnerships**: Microsoft believes that we can improve practices associated with raw material sourcing through participation in collaborative initiatives. Microsoft desires to positively impact end-to-end extraction and harvesting sustainability. We partner closely with organizations that address human rights and environmental concerns. An integrated approach is the most effective means to improve conditions for the planet and people working in raw material supply chains.