



Microsoft Devices FY20 contribution toward achieving the UN Sustainability Goals

This table highlights some of our contributions in FY20 to the Sustainable Development Goals (SDGs) and the manner in which we are creating shared value. By focusing on value creation, we can grow the business and innovate while solving environmental and social problems. Our supply chain partnerships also benefit Microsoft, our suppliers, and those who work for them.



SDG	Our FY20 contribution toward achieving UN Sustainable Development Goals and Creating Shared Value	SDG Targets and Business Indicator Themes
	<p>Shared Value:</p> <p>Ensured suppliers cover workers' social insurance and contractual and legal requirements for payment of compensation.</p> <p>Required Tier 1 suppliers to provide workers with career development and related opportunities</p>	<p>SDG Target 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p>
	<p>Shared Value:</p> <p>Implemented proactive policies to reduce and minimize hazardous substances in manufacturing operations, products, and packaging.</p> <p>Required proper sanitation and healthful living and canteen conditions for workers.</p> <p>Ensured Tier 1 factories provide appropriate on-site medical services.</p> <p>Trained and required factories and contracted suppliers to implement effective occupational safety and health (OSH) programs.</p> <p>Additional support of the SDGs:</p> <p>Supported responsible health and safety practices in the global extractives industry.</p>	<p>SDG Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>

SDG	Our FY20 contribution toward achieving UN Sustainable Development Goals and Creating	SDG Targets and Business Indicator Themes
	<p>Shared Value:</p> <p>Trained suppliers on how to implement and promote a safe factory culture and manage chemical risks.</p> <p>Required library/literature access at factories.</p> <p>Microsoft has donated over 23,000 soft goods, hardware, and toys in the United States for use in youth and other non-profit programs in FY20, in partnership with our Microsoft Stores and Philanthropies organizations. Since the program inception, we have donated over 150,000 soft goods, hardware, and toys.</p>	<p>SDG Target 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</p> <p>SDG Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>SDG Target 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.</p>
	<p>Shared Value:</p> <p>Required factories to implement nondiscrimination policies.</p> <p>Maintained an independent Workers' Voice Hotline to provide workers with a forum to ask questions and report issues in directly contracted key suppliers in China.</p> <p>Implemented a robust human trafficking and forced labor program to identify and mitigate risks and enforce corrective action when applicable in supply chain.</p> <p>Additional support of the SDGs:</p> <p>Audited factories to ensure adherence to fair payment of wages requirement and enforced corrective action when applicable.</p> <p>Provided training through Tier 1 suppliers to workers regarding women's health.</p> <p>Extended the Workers' Voice Hotline to 188 factories, accounting for 99.5% of the audited factories in China including our final assembly and strategic component manufacturing suppliers. This means the Workers' Voice Hotline is available to 300,334 workers, up 24.5% compared to last year.</p>	<p>SDG Target 5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>Business Indicator Theme: Workplace violence and harassment</p> <p>SDG Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.</p>

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Shared Value:

Ensured appropriate testing and availability of safe drinking water at factories.

Additional support of the SDGs:

Supported heightened environmental standards related to water usage for the extractives industry, including process improvements.

Protected water-use ecosystems through wastewater treatment, spill prevention, and chemical management of storing, handling, and disposal.

Supplier SEA audits confirmed suppliers' water management programs included water monitoring, water conservation, wastewater treatment and water contamination prevention. Our audit program allows us to assess our suppliers' program to address water risks and help drive improvement in water protection and conservation.

Business Indicator Theme: Water-related ecosystems and biodiversity

SDG Target 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

Business Indicator Theme: Water quality

SDG Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

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Business Indicator Theme: Water recycling and reuse

SDG Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Business Indicator Theme: Sustainable water withdrawals

SDG Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Shared Value:

Deployed a "smart building" system at a major Microsoft supplier using Azure and IoT technologies that helped the supplier more efficiently manage the energy used for heating, ventilation, and air conditioning.



Business Indicator Theme: Energy efficiency

SDG Target 7.3 By 2030, double the global rate of improvement in energy efficiency.

**Shared Value:**

Implemented training for factory and supplier workers for career progression and to promote digital learning and access to Microsoft technology classes.

Required suppliers to follow Microsoft's Workers Communities Guidelines to promote decent working and living conditions for workers in the factories.

In FY20, 100% of new suppliers were screened using social criteria.

Additional support of the SDGs:

Provided internal awareness trainings on Preventing Modern Slavery and Human Trafficking in the Supply Chain.

In FY20, 648 participants from 165 suppliers received training on Microsoft's requirements on human trafficking and forced labor.

Continued to enhance our due diligence process through enforcing of supplier contracts, on-boarding training, supplier assessment and audits, corrective action and verification, sub-tier management and the Workers' Voice Hotline. \$256,954 of recruitment fees and insufficient wages were repaid by suppliers to 5,401 employees, including \$207,445 of recruitment fees repaid to 2,316 employees.

Business Indicator Theme: Labor practices in the supply chain

SDG Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Business Indicator Theme: Elimination of forced or compulsory labor
SDG Target 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

Business Indicator Theme: Freedom of association and collective bargaining

SDG Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Business Indicator Theme: Occupational Health and Safety

SDG Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Business Indicator Theme: Water efficiency

SDG Target 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.



Business Indicator Theme: Energy efficiency

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Business Indicator Theme: Materials efficiency

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	<p>Shared Value:</p> <p>Utilized the Microsoft Audit Management System through Azure and employed smarter analytics and dashboards through Power BI.</p> <p>Piloted use of sensor technology, in-situ renewable energy and Azure Solutions to increase factory energy efficiency and reduce waste.</p>	<p>SDG Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
	<p>Shared Value:</p> <p>Empowered legal right of factory worker inclusion in factory governance through an organized workforce and requirement that supplier factories implement processes to establish management/worker dialogs.</p> <p>Ensured that contracted factories paid legally required wages according to applicable laws.</p> <p>Maintained an independent Workers' Voice Hotline to provide workers with a forum to ask questions and report issues in our directly contracted key suppliers in China.</p> <p>Additional support of the SDGs:</p> <p>Extended the Workers' Voice Hotline to 188 factories, accounting for 99.5% of the audited factories in China including our final assembly and strategic component manufacturing suppliers. This means the Workers' Voice Hotline is available to 300,334 workers, up 24.5% compared to last year.</p>	<p>SDG Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>SDG Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p>

SDG

Our FY20 contribution toward achieving UN Sustainable Development Goals and Creating

SDG Targets and Business Indicator Themes

**Shared Value:**

Proactively reduced materials used for products and packaging.

Designed products for longevity, recyclability, and product stewardship.

For new programs in FY19 vs baseline, reduced the weight of packaging by 20.9 percent and decreased packaging-related greenhouse gas (GHG) emissions by 24.9 percent.

Incorporated recycled and sustainable content into devices and packaging and implemented recycling during production and at the product's end of life.

Registered all eligible devices to EPEAT environmental performance rating program.

Reduced waste from operations.

Completed mapping of key raw materials that travel through a complex and global upstream supply chain to identify and prioritize areas of risk.

Certified the activities associated with the design of our devices, manufacturing and supply chain business to ISO 14001:2015 and required all contracted suppliers to establish and implement effective Environmental Management Systems.

Implemented environmentally sound management of chemicals and all wastes through use of Microsoft platform partner software suite.

Recycled Microsoft consumer devices and directly used devices responsibly through voluntary and mandatory programs.

Performed and published Ecoprofiles of major product lines.

SDG Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

SDG Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

SDG Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

**Shared Value:**

Ensured that all products met or exceeded voluntary energy efficiency standards, including ENERGY STAR.




Minimized device energy consumption by enabling the capabilities of the Windows platform in installed devices.

Minimized use of materials and reported GHG emissions and required Tier 1 suppliers to do the same pursuant to the Carbon Disclosure Project (CDP).

Banned use of and required substitution for Ozone Depleting Chemicals and assessed hydrofluorocarbon (HFC) usage to prepare for minimizing related emissions and consumption.

SDG Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

SDG Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

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	<p>Shared Value: Requested CDP water reporting for 99 percent of top spend suppliers.</p>	<p>SDG Target 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution. SDG Target 14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.</p>
	<p>Banned the use of any packaging materials originating from old growth forests. Used recycled paperboard materials and/or virgin paper from sustainable forests. Banned the landfilling of used electronics by our recycling service suppliers.</p>	<p>SDG Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p>
	<p>Shared Value: Implemented anticorruption measures through contracted supplier management and monitoring. Empowered legal right of factory worker inclusion in factory governance through an organized workforce and requirement that supplier factories implement processes to establish management/worker dialogs.</p> <p>Additional support of the SDGs: Continued Supplier Anti-Trafficking measures in the Microsoft Supplier Code of Conduct, auditing, supplier programs and management systems, and increased supplier reporting transparency on these issues.</p>	<p>SDG Target 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children. SDG Target 16.5 Substantially reduce corruption and bribery in all their forms. SDG Target 16.6 Develop effective, accountable and transparent institutions at all levels. SDG Target 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p>

SDG**Our FY20 contribution toward achieving UN Sustainable Development Goals and Creating****SDG Targets and Business Indicator Themes****Shared Value:**

Promoted sustainability best practice sharing and collaboration with suppliers, the electronics sector, cross-industry groups, and Non-Governmental Organizations (NGOs).

Additional support of the SDGs:

Continued to grow our partnership with Pact, an international NGO, to develop sustainable strategies and unique programs to address the diverse circumstances of children who work at mine sites in the Democratic Republic of the Congo (DRC).

SDG Target 17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed.

SDG Target 17.14 Enhance policy coherence for sustainable development.

SDG Target 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

SDG Target 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

SDG Target 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.