FISCAL YEAR 2020

Modern Slavery and Human Trafficking Statement
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Board of Directors approval

This Statement describes the actions taken by Microsoft Corporation and its covered subsidiaries (hereinafter collectively referred to as “Microsoft”)¹ during Fiscal Year 2020 (FY20)² to prevent modern slavery and human trafficking in our operations and our supply chains pursuant to the UK Modern Slavery Act³ and the Australian Modern Slavery Act⁴.

The United Kingdom (UK) subsidiaries that are covered by this Statement include:
- Microsoft Limited (Ltd)
- Microsoft Research Ltd
- MSFT MCIO Ltd
- LinkedIn Technology UK Ltd

The Australian subsidiaries that are covered by this Statement include:
- Microsoft Pty Ltd
- Microsoft Australia Holdings Pty. Ltd
- Microsoft Datacenter (Australia) Pty Ltd
- LinkedIn Singapore Pte Ltd (Australia Branch office)

Microsoft is submitting this statement on behalf of its covered subsidiaries. Although not a covered entity for purposes of the laws, GitHub, Inc., a wholly owned subsidiary of Microsoft Corporation, is voluntarily reporting its actions to prevent modern slavery and human trafficking in its operations and its supply chains through this Statement.

Senior management of the covered subsidiaries, in consultation with Microsoft, have contributed to and reviewed the content of this Statement. The Microsoft Board of Directors and its Regulatory and Public Policy Committee approved the Statement on behalf of Microsoft and its covered subsidiaries at the Board’s December 2, 2020 meeting.

Penny Pritzker

Director, Microsoft Board of Directors; Chair, Regulatory and Public Policy Committee

¹ The Australian and UK covered subsidiaries use the same policies and processes as those identified in this Statement and the Statement describes these subsidiaries’ actions to address modern slavery risks.
² Our FY20 started on July 1, 2019 and ended on June 30, 2020.
³ https://www.legislation.gov.uk/ukpga/2015/30/contents/enacted
Introduction

Decent working conditions are a basic human right, are essential for inclusive and sustainable livelihoods, and are foundational to a life of dignity. As part of Microsoft’s responsibility to respect human rights, we continue to take comprehensive steps to ensure that both our employees and workers in our global supply chains can exercise their internationally recognized human and labor rights.

Our efforts to respect the human rights of our employees and workers in our supply chains include the development, implementation, and enforcement of ongoing measures to prohibit and remedy labor exploitation, including human trafficking, forced and involuntary labor, prison labor, and the worst forms of child labor per the standards and conventions of the International Labour Organization (ILO). Microsoft is committed to conducting and promoting ethical business practices in our operations and our supply chains. This Modern Slavery and Human Trafficking Statement provides transparency in how Microsoft meets our commitment to prohibit human trafficking and forced labor in our corporate and subsidiary operations and in our global supply chains.

Microsoft structure, business operations, and supply chains

About Microsoft

Microsoft is a publicly-traded (NASDAQ: MSFT) multinational technology company with its corporate headquarters located in Redmond, Washington in the United States of America. As of October 20, 2020, Microsoft employed approximately 166,475 people worldwide. Microsoft business organizations, global operation centers, and worldwide subsidiaries can be found at this site.

Our covered subsidiaries

We have determined that subsidiaries that meet the requirements for reporting contained in the UK Modern Slavery Act and the Australian Modern Slavery Act are the following:

- **Microsoft Limited (Ltd)** is a private limited company (company no. 1624297). It was incorporated in England and Wales and its registered address is Microsoft Campus, Thames Valley Park, Reading, Berkshire, RG6 1WG. It has 3,470 employees. It is a subsidiary of Microsoft Corporation.

- **Microsoft Research Ltd** is a private limited company (company no. 03369488). It was incorporated in England and Wales and its registered address is 21 Station Road, Cambridge, B1 2FB. It has 133 employees. It is a subsidiary of Microsoft Ireland Research, which is part of the Microsoft Corporation Group.
- **MSFT MCIO Ltd** is a private limited company (company no. 09616816). It was incorporated in England and Wales and its registered address is The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS. It has 55 employees. It is a subsidiary of Microsoft Ireland Operations Limited, which is a part of the Microsoft Corporation Group.

- **LinkedIn Technology UK Ltd** is a private limited company (company no. 06441873). It was incorporated in England and Wales and its registered address Castlewood House, 77-91 New Oxford Street, London, WC1A 1DG. It has 338 employees. It is a subsidiary of LinkedIn Ireland Unlimited Company, which is a part of the Microsoft Corporation Group.

- **Microsoft Pty Ltd** is a proprietary company limited by shares incorporated in Australia (Australian Business Number 29 002 589 460) with its registered address c/o Johnson Winter Slattery, Level 25, 20 Bond Street, Sydney NSW 2000. It has 1734 employees and is a wholly owned subsidiary of Microsoft Corporation and does not own or control other entities.

- **Microsoft Australia Holdings Pty Ltd** is a company limited by shares incorporated in Australia (Australian Business Number 16 077 573 390) with its registered address as c/o Johnson Winter Slattery, Level 25, 20 Bond Street, Sydney NSW 2000. It has no employees and is a wholly owned subsidiary of Microsoft Corporation. It owns and controls Microsoft Datacenter (Australia) Pty Ltd which runs Microsoft’s datacenters within Australia.

- **Microsoft Datacenter (Australia) Pty Ltd** is a proprietary company limited by shares incorporated in Australia (Australian Business Number 31 163 792 078) with its registered address as c/o Johnson Winter & Slattery, Level 25, 20 Bond St, Sydney NSW 2000. It has 81 employees and is a wholly owned subsidiary of Microsoft Australia Holdings Pty Ltd.

- **LinkedIn Singapore Pte Ltd (Australia Branch office)** is a private company limited by shares (company no. 201109821G). It was incorporated in Singapore and its registered address is 38 Beach Road #29-11 South Beach Tower, Singapore, 189767. It has 423 employees. It is a subsidiary of LinkedIn Ireland Unlimited Company. LinkedIn Singapore Pte Ltd registered as a foreign company in Australia on October 22, 2016 (Australian Registered Body Number 615 253 408), with a registered address of Level 10, 50 Berry Street, North Sydney NSW 2060, Australia. The Australian branch of LinkedIn Singapore has 278 employees.

These Microsoft subsidiaries use many of the same policies and processes, operate in the same sector and have many shared suppliers, which is the reason for Microsoft submitting this Statement on their behalf. Although not a covered entity for purposes of the laws, GitHub, Inc., a wholly owned subsidiary of Microsoft Corporation, is voluntarily reporting its actions during FY20 to prevent modern slavery and human trafficking in its operations and its supply chains through this Statement.
Our mission

Microsoft’s mission is to empower every person and every organization on the planet to achieve more. We strive to create local opportunity, growth, and impact in every country around the world. Our platforms and tools help drive small business productivity, large business competitiveness, and public-sector efficiency. They also support new startups, improve educational and health outcomes, and empower human ingenuity. We continue to transform our business to lead in the new era of the intelligent cloud and intelligent edge. We bring technology and products together into experiences and solutions that unlock value for our customers.

Our business

Founded in 1975, Microsoft develops and supports software, services, hardware devices, and solutions that deliver new value for customers and help people and businesses realize their full potential. We offer an array of services, including cloud-based solutions that provide customers with software, services, platforms, and content, and we provide solution support and consulting services. We also deliver relevant online advertising to a global audience. Our products include operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; and video games. We design, manufacture, and sell hardware devices, including personal computers, tablets, gaming and entertainment consoles, other intelligent devices, and related accessories (referred to as "Devices" in this Statement). We construct, lease, and operate data centers to pursue our business objectives worldwide, including in the UK and in Australia.

More information about our business, organization, and operating entities can be found in our Annual Report

Our supply chains

In conducting our business, Microsoft has relationships with thousands of suppliers around the globe. Some of these are short-term suppliers and others have been Microsoft suppliers for many years. These relationships include, but are not limited to, suppliers that provide goods and services to our business units and corporate and subsidiary operations; suppliers that manufacture our Devices, packaging materials, and components; and suppliers that construct and provide the servers and equipment used in Microsoft data centers. We provide additional details about Devices’ hardware and packaging suppliers and a list of our top 100 suppliers for our commercially available Devices hardware products in the Responsible Sourcing section of our Corporate Responsibility reporting website. In FY20, our indirect procurement team worked with over 20,000 suppliers in 108 countries and purchased goods and services including, but not limited to,
the following procurement categories: Professional Services, Real Estate, Technology and Technical Services, and Marketing.

Microsoft governance and policies that address human rights, modern slavery, and human trafficking

Governance and consultation

Microsoft’s Human Rights Core Team (Core Team) regularly convenes colleagues across Microsoft operations and business units who have day-to-day accountability for responsible sourcing issues and human rights reporting and compliance requirements. Core Team members include cross-functional experts representing Microsoft Devices, Cloud Sourcing and Supply Chain (CSSC), Cloud Operations and Innovation (CO+I), Microsoft Procurement, Office of Legal Compliance, Human Rights, Human Resources, Corporate, External, and Legal Affairs (CELA), and LinkedIn and GitHub representatives. The following business groups have been engaged in the development of this Statement through Core Team representation, consultation, and engagement:

The Experiences and Devices (E+D) Responsible Sourcing (RS) Team, which is responsible for programs that require supplier compliance with our supply chain requirements for ethics, 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, and the CSSC team, which is responsible for Cloud hardware procurements.

The Cloud Operations + Innovation (CO+I) Team, which is responsible for building and operating Microsoft’s global cloud infrastructure. The CO+I Team manages the entire datacenter delivery lifecycle, including supply planning, acquisition, leasing, design, construction, build-out, operations, and decommissioning. The CO+I Governance Team manages responsible sourcing compliance and assurance responsibilities that ensure that CO+I’s direct and indirect suppliers of goods and services meet Microsoft requirements that minimize the risk of modern slavery and human trafficking.

The Microsoft Procurement Team, which delivers business value through proactive, innovative, compliant, and cost-effective global solutions that include engagement of indirect suppliers that are compliant, capable, and competitive. Microsoft Procurement manages indirect suppliers’ social and environmental performance, including meeting Microsoft human rights responsibilities. Indirect suppliers provide goods and services to Microsoft such as marketing, travel, facilities management, or office supplies. Microsoft Procurement is responsible for the Microsoft Supplier Code of Conduct (SCoC) and managing annual supplier SCoC training compliance.

GitHub, which provides a software collaboration platform and code hosting service for developers, contracts with suppliers that provide GitHub with a range of goods and services.
LinkedIn, which connects the world’s professionals to make them more productive and successful and transforms the way companies hire, market, sell, and learn, contracts with suppliers that provide LinkedIn with a wide range of goods and services.

The Core Team works in a coordinated manner to facilitate continuous improvement of Microsoft’s human rights initiatives and policies related to responsible sourcing across the company and its global supply chains and to ensure that Microsoft’s Modern Slavery Statement meets legal reporting requirements. The Core Group Team meets regularly to harmonize Microsoft’s position on relevant human rights issues, develop cross-company strategies, share best practices, and build company awareness around responsible sourcing issues, including modern slavery and human trafficking.

The Core Team’s CELA lead regularly consults with Senior CELA Management to raise corporate awareness of Microsoft’s programs and policies to identify and reduce the risk of modern slavery in our operations and supply chains and to identify opportunities for continuous improvement, which are delegated to the Core Team for operationalization.

Microsoft’s Board of Directors has a Regulatory and Public Policy Committee that works in cooperation with Microsoft’s CEO, Satya Nadella, his leadership team, and others across Microsoft to oversee Microsoft’s commitments to environmental sustainability and corporate social responsibility, including our commitments to reducing the risk of modern slavery in Microsoft operations and supply chains.

Microsoft corporate policies

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<th>Microsoft Supplier &amp; Partner Codes of Conduct</th>
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<td>Define our values and establish a corporate-wide commitment to ethical business practices and legal compliance, including respect for human rights</td>
<td>Outlines our commitment and approach to respecting human rights in our operations and across our supply chains</td>
<td>Require all manufacturing suppliers and service providers, including our Microsoft partners, to embrace our commitment to integrity and ethical behavior</td>
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<td>Require annual training of all employees to ensure understanding and compliance</td>
<td>References our respect for specific international human rights instruments, which prohibit all forms of modern slavery and human trafficking</td>
<td>Ban all forms of forced labor, including indentured labor, bonded labor, or any other form of forced labor</td>
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5 Please see infra regarding LinkedIn and GitHub policies and procedures to address modern slavery and forced labor in LinkedIn and GitHub subsidiary operations and supply chains.
Standards of Business Conduct

At Microsoft, our Standards of Business Conduct define our values and a corporate-wide commitment to ethical business practices and legal compliance. All Microsoft employees are required to comply with the Standards of Business Conduct in all countries where we operate. The Standards are available in 18 languages and dialects and are reinforced through online training, which is an annual requirement for all Microsoft employees.

Microsoft Global Human Rights Statement

Our commitment to respect the human rights of our employees, customers, suppliers and individuals in the communities in which we operate is embedded in our Standards of Business Conduct and further described in the Microsoft Global Human Rights Statement. The Global Human Rights Statement, which is available in 12 languages and dialects, adheres to the United Nations Guiding Principles on Business and Human Rights and the Global Network Initiative Principles and outlines our commitment and approach to respecting human rights in our operations and across our supply chains.

The Global Human Rights Statement builds upon the company’s formal commitment to respect human rights and labor rights, which was established when we joined the United Nations Global Compact in 2006. The Global Human Rights Statement articulates how we work to meet our responsibility to respect human rights by:

- Clearly stating our human rights policies and advancing these policies through our business operations and practices;
- Proactively engaging with stakeholders to obtain input to help evolve our approach;
- Actively participating in relevant human rights-focused collaborative initiatives, such as the Responsible Business Alliance (RBA); and
- Communicating annually on the work we are doing to meet our human rights responsibilities through our Corporate Responsibility website and other transparency vehicles.

Microsoft’s Global Human Rights Statement references our respect for specific international human rights instruments, including the International Covenant on Civil and Political Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, which prohibit all forms of forced labor, modern slavery, and human trafficking. This statement applies to Microsoft and all its subsidiaries.

Visit the Human Rights page of our Corporate Responsibility website to learn more about how Microsoft respects and promotes human rights.
Microsoft Supplier and Partner Codes of Conduct

Microsoft requires all manufacturing suppliers and service providers, including our recruiters and recruitment agencies, to embrace our commitment to integrity and ethical behavior through our Supplier Code of Conduct. Our Code aligns with and, in certain cases, goes beyond the RBA Code of Conduct, which establishes global standards to ensure that working conditions in electronics-affiliated industries and their supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

The Microsoft Supplier Code of Conduct, which is available in 26 languages and dialects, is designed to help prevent modern slavery and human trafficking in our global supply chain. It is included as a standard onboarding and contractual requirement across our entire corporate supply chain. Suppliers, in turn, are contractually required to apply the Microsoft Supplier Code of Conduct to their direct and subtier supply chains, expanding its scope and positive, protective impact across all levels of the Microsoft supply chain.

The Microsoft Partner Code of Conduct is a requirement of all Microsoft partners and their employees, agents, and subcontractors (collectively referred to as “Partners”), which partner with Microsoft to serve Microsoft customers. It is important for Microsoft that Partners embrace and continually improve their implementation of Microsoft’s values. While conducting business with Microsoft and Microsoft’s employees, agents, subcontractors, and customers, Microsoft expects its Partners to commit to operating in full compliance with all applicable laws and regulations, and to adhere to the principles outlined in the Partner Code of Conduct.

All forms of forced labor are specifically banned by our Supplier and Partner Codes of Conduct, including indentured labor, bonded labor, or any other form of forced labor, including physical confinement in the work location; exploitative practices, such as forced overtime; and lodging of deposits, including financial or personal documents for employment. Support for or engagement in any form of human trafficking or involuntary labor through threat, force, fraudulent claims, or other coercion is strictly prohibited. Microsoft’s Supplier and Partner Codes of Conduct reflect Microsoft’s commitment to not allow any form of forced labor in our supply chains or partner business engagements and to take action in response to violations.

In FY20, we further strengthened our Supplier Code of Conduct by adding additional measures related to addressing forced labor risk. For example, we added specific prohibitions that restrict suppliers from engaging in certain activities that may support modern slavery or human trafficking. The Code of Conduct continues to explicitly incorporate US federal government procurement restrictions on certain activities that have been linked to human trafficking.

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6 https://www.acquisition.gov/far/52.222-50
The Microsoft Supplier Code of Conduct states that all Microsoft Suppliers and their sub-tier partners must, without limitation:

**Not discriminate.** Suppliers must commit to a workforce and workplace free of harassment and unlawful discrimination. Suppliers must provide employees with procedures they can use to bring workplace concerns, including those involving harassment and discrimination, to the attention of management for appropriate resolution. Suppliers must review these reporting procedures periodically. While we recognize and respect cultural differences, Suppliers must provide equal opportunity in the workplace and not engage in discrimination in hiring, compensation, access to training, promotion, termination, and/or retirement based on race, color, sex, national origin, religion, age, disability, gender identity or expression, marital status, pregnancy, sexual orientation, political affiliation, union membership, or veteran status. Suppliers must accommodate all disabilities to the extent required by law.

**Prohibit the use of child labor.** 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 hazardous work, night work, and overtime work.

**Use only voluntary labor.** All forms of forced labor by Suppliers are prohibited, including indentured labor, bonded labor, or any other form of forced labor. All forms of prison labor are prohibited. Support for or engagement in any form of human trafficking or involuntary labor through threat, force, fraudulent claims, or other coercion is prohibited. Suppliers must have a voluntary labor compliance plan in place that (1) provides provisions for training Supplier personnel and raising their awareness of issues related to forced labor, and (2) details what remediation the Supplier will provide in case of any violations.

**Ensure workers have access to work-related documents.** Suppliers 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), 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.
Provide return transportation for foreign migrant workers. When hiring foreign workers who are not nationals of the country in which the work is taking place and who are recruited and who migrate from their home country to another country for the specific purpose of working for the Supplier, Suppliers must provide return transportation for such workers or reimburse the workers for the cost of such trip upon the end of their employment. This requirement does not apply to workers with permanent residency or professional employees who are on short- or long-term assignments.

Use appropriately trained recruiters to support compliance. Use only recruiters 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 or recruiting 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.

Promote awareness of human trafficking concerns. Inform employees, agents, recruiters, contractors and subcontractors about Supplier’s policies that prohibit human trafficking and provide training and programs to promote awareness, risk identification, employee reporting, corrective action, and potential penalties for violations.

- Make conditions of employment clear when hiring. Suppliers must prohibit the use of misleading or fraudulent practices during the recruitment or employment process. Suppliers must disclose, in a format and language accessible to the worker, basic information regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, living conditions, housing and associated costs (if any), any other costs to be charged to the worker, and any hazards involved in the work. Such disclosures must be made before the worker enters employment and as needed throughout their term of employment. All contracts and employee handbooks (where applicable) must (1) clearly convey the conditions of employment in a language understood by the worker, and (2) reflect applicable laws and regulations.

- Provide fair compensation. 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. Workers with disabilities whose wages are governed by section 14(c) of the Fair Labor Standards Act must receive no less than the full minimum wage rate as defined by Executive Order 13658. 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 at the levels expected in the industry and in accordance with Microsoft requirements.

- **Treat employees with dignity and respect.** Suppliers must not engage in physical abuse or discipline, the threat of physical abuse, or sexual or other harassment. Verbal abuse or other forms of intimidation are prohibited.

- **Meet working hour and rest day requirements.** Suppliers are prohibited from requiring workers to work more than the maximum hours as set by international standards, local and national laws, or Microsoft requirements, 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. Workers must be allowed at least one day off per seven-day work week. Suppliers must keep employee working hour and pay records in accordance with local and national laws or regulations and provide such records to Microsoft upon request.

- **Ensure freedom of association.** Suppliers must respect workers’ rights to freedom of association and collective bargaining in accordance with local legal requirements.

- **Provide grievance procedures.** Suppliers must provide procedures for employees to bring workplace concerns to the attention of management for appropriate resolution. The grievance procedures provided must be accessible, culturally appropriate, and include the option to report anonymously where appropriate. Workers and/or their representatives must be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. Suppliers must periodically provide workers with information and training on all grievance procedures. All forms of retaliation against workers for bringing a workplace concern are strictly prohibited.

Our Supplier Code of Conduct contains additional requirements that safeguard working conditions and help prevent human trafficking in our supply chains, including in the areas of business ethics, occupational safety and health, environmental protection and intellectual property. These requirements help Microsoft identify and mitigate risks associated with systemic causes of human trafficking, such as corruption and generally poor working conditions.
Social and Environmental Accountability (SEA) requirements

In addition to requiring all Microsoft suppliers to meet our Supplier Code of Conduct, Microsoft also requires that suppliers producing Microsoft Devices and packaging and the servers used in our data centers meet our Microsoft SEA requirements. These SEA requirements provide Microsoft’s expectations for suppliers working in the electronics manufacturing sector to protect workers’ human rights. The SEA requirements, which address freely chosen employment, child labor prohibitions, worker living conditions and wages, safe working practices, responsible sourcing of raw materials, and environmental, health and safety protection, are contained in our Microsoft Supplier Social and Environmental Accountability Manual (Supplier SEA Manual). An excerpt of the Supplier SEA Manual is available here.

These SEA requirements are included as standard terms in our contracts with directly contracted hardware, server, and packaging suppliers. Microsoft also requires our suppliers to include our SEA requirements in contracts with their subtier suppliers—those with which Microsoft does not directly engage via contract, thereby, scaling and reinforcing these SEA requirements across Microsoft’s direct and indirect supply chains. Microsoft’s third-party auditors audit Microsoft suppliers against these SEA requirements and suppliers that are found to be non-conformant risk business termination with Microsoft.

Responsible Sourcing of Raw Materials (RSRM) policy

Our Responsible Sourcing of Raw Materials (RSRM) policy extends our Code of Conduct to the furthest reaches of our Devices and CSSC upstream supply chain in support of human rights, labor, health and safety, environmental protection, and business ethics. This commitment is global in scope and applies to all substances used in our Devices and CSSC hardware and packaging, unbounded by materials or geographic origin. The Microsoft RSRM policy is informed by the
OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which is the leading international standard for minimizing supply chain risk across raw material supply chains.

Preventing modern slavery and human trafficking in Microsoft’s operations and supply chains

Preventing modern slavery and human trafficking in our operations and supply chains requires the engagement of key business units where we have determined there is potential risk of human trafficking and forced labor. The United States Department of Labor’s List of Goods Produced with Child Labor or Forced Labor has identified the manufacture of electronics as posing a risk for child and forced labor. Therefore, our programs to minimize the risk of modern slavery and human trafficking in our supply chains primarily focus on Microsoft business units associated with the manufacture of our Devices and the servers used in Microsoft data centers to address this recognized source of potential risk.

However, we recognize that other business units may face the risk of modern slavery practices, for example, the risk of modern slavery in the construction of our data centers or the procurement of goods and services used by or to maintain our business operations. Therefore, this Statement also covers the policies and procedures used by Cloud Operations and Innovation (CO+I), Microsoft Procurement, GitHub, and covered LinkedIn subsidiaries to address modern slavery and human trafficking risks in their operations and supply chains.

Implementation of Responsible Sourcing Program across Devices and Cloud hardware

Our values of integrity, accountability and respect provide the foundation for responsible sourcing. We set high standards for all our suppliers and we work with them to support their people and improve their operations. Our Responsible Sourcing program helps ensure that our Devices and Server hardware and packaging suppliers meet the robust standards set out in the Microsoft Supplier Code of Conduct and Supplier SEA Manual. These requirements cover human rights, living conditions, safe working practices, environment, health and safety (EHS) and ethical practices.

Assessing effectiveness

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

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transparency across our supply chains. The data they provide enables us to deeply understand our risks and develop strategies and programs to address such risks.

In FY20, 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.

Learn more about SEA Stages results and Category Risk Profiles in our FY20 Devices Sustainability Report

Risk assessment and due diligence process

As mentioned above, we have identified the manufacture of electronics as posing possible risk for modern slavery and human trafficking in our supply chains. Therefore, our programs to minimize the risk of modern slavery and human trafficking primarily focus on Microsoft business units associated with the manufacture of our Devices and the servers used in Microsoft data centers particularly in high-risk countries where there are potentially vulnerable workers.

We enforce our Standards of Business Conduct, Global Human Rights Statement, Supplier Code of Conduct, Supplier SEA Manual, and RSRM Program (collectively referred to as “Microsoft Standards and Requirements”) through supplier contracts, supplier assessments and audits, corrective action, and capability building and training programs. Together, these components comprise a comprehensive due diligence process that is aligned to the OECD Due Diligence Guidance for Responsible Business Conduct and strives to identify, monitor, and mitigate the risk of modern slavery and human trafficking in Devices and CSSC hardware and packaging supply chains.

Microsoft’s RS and Strategic Sourcing Teams work to enhance our hardware and packaging suppliers’ conformance to all of Microsoft’s Standards and Requirements, including those pertaining to freely chosen employment, child labor prohibitions, worker living conditions and wages, human rights, safe working practices, RSRM, and EHS protection. All new and directly contracted Devices hardware and packaging suppliers and CSSC server suppliers undergo initial risk and capability assessments and audits to assess their conformance to Microsoft Standards and Requirements, including the Microsoft Supplier Code of Conduct and the Supplier SEA
Manual, which both prohibit any form of modern slavery and human trafficking through threat, force, fraudulent claims, or other coercion. After the initial baseline assessment (called an "Initial Capability Audit"), Microsoft’s RS Team monitors the performance of Devices hardware and packaging and CSSC server suppliers, requires them to correct or mitigate non-conformances or risks identified, and conducts on-going sustaining audits based on each supplier’s risk assessment.

We classify our hardware and packaging suppliers into tiers:

- **Tier 1:** Manufacturing partners, system integrators or assemblers with whom Microsoft has a direct contractual relationship to manufacture Microsoft hardware and products.
- **Tier 1.5/2/3:** Suppliers with whom Microsoft has a direct contractual relationship to provide consigned parts, components, sub-assemblies, or materials to our Tier 1 suppliers.

Third-party auditors and the RS Team conduct these audits and assessments to verify conformance to the Microsoft Standards and Requirements, including our prohibitions on modern slavery and human trafficking. During this verification process, auditors examine documentation, visit production lines, dorms, canteens, and waste storage facilities, and conduct face-to-face interviews with workers and factory management. Interviews of migrant workers are conducted in their native language. To enhance audit consistency and quality, Microsoft qualifies third-party auditors through shadow audits and assessments of their onsite audit performance and reports.

Download our FY20 Devices Sustainability Report to learn more about our Responsible Sourcing Assurance Program

In FY20, we strengthened our onboarding of new suppliers to manage any SEA risks prior to initiating mass-production and to ensure that suppliers fully understand our Microsoft Standards and Requirements and are prepared to engage with us, devote resources to ongoing improvement, and share our values.
During onboarding, suppliers receive training on the Microsoft Supplier Code of Conduct, Supplier SEA Manual, RSRM Policy and SEA Specification training. Microsoft requires suppliers to put a corrective action plan in place to address non-conformances found during the Initial Capability Audit before production begins. If a factory cannot meet our requirements, they are restricted from doing business with us until nonconformances are remedied.

**Remediation**

If our audits detect nonconformances in our supply chain, our RS, Strategic Sourcing, and Manufacturing Teams work closely with nonconformant suppliers to develop corrective action plans to resolve detected issues (called “Audit Findings”), including building needed capabilities through education and training. Suppliers are 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 must correct issues within specific deadlines based on the severity of the nonconformance or risk termination of the Microsoft business relationship.

**Audit findings**

Microsoft classifies Audit Findings as Critical, Serious, Major, and Minor; and the level of the Finding determines the timeframe for corrective action. Suppliers are required to correct any Critical Findings within 24 hours of identification, Serious Findings within 30 days, Major Findings within 60 days, and Minor Findings within 90 days. All forced labor Findings would be categorized as a major, serious or critical Finding.

In FY20, the following Audit Findings were recorded:

- 232 factories were audited in the Devices hardware and packaging supply chain with 0 Critical, 0 Serious, and 37 Major Findings identified in the Freely Chosen Employment category.
- 7 shared Devices-CSSC factories were audited with 0 Critical, 1 Serious, and 1 Major Finding identified in the Freely Chosen Employment category.
- 35 factories were audited in the CSSC server supply chain with 0 Critical, 4 Serious, and 8 Major Findings identified in the Freely Chosen Employment category.
A breakdown of the Audit Findings is shown in the chart below:

<table>
<thead>
<tr>
<th>Freely Chosen Employment Nonconformance</th>
<th>Numbers of Audit Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Devices factories (232 factories, 7 shared with CSSC *)</td>
</tr>
<tr>
<td>No policy or procedure that prohibits forced labor &amp; human trafficking</td>
<td>Critical</td>
</tr>
<tr>
<td>Workers having paid recruitment or employment fees</td>
<td>0</td>
</tr>
<tr>
<td>Contractual nonconformance</td>
<td>0</td>
</tr>
<tr>
<td>Restriction of workers' freedom of movement</td>
<td>0</td>
</tr>
<tr>
<td>Restriction of workers' access to basic liberties</td>
<td>0</td>
</tr>
<tr>
<td>TOTALS</td>
<td>0</td>
</tr>
</tbody>
</table>

* Includes Finding from a shared Devices-CSSC factory

A breakdown of the investigation and remediation actions taken to address the 31 Audit Findings associated with **workers having paid recruitment or employment fees** is as follows:

- 24 Findings: Workers paid a health exam fee as a condition of employment.
- 7 Findings (including 5 serious findings): Workers paid recruitment fees as a condition of employment.
  - 5 Findings: Foreign migrant workers who paid recruitment fees.
  - 1 Finding: Domestic migrant worker who paid recruitment fees.
  - 1 Finding: Worker not provided return transportation to his/her origin or reimbursed for cost of such trip.

The 31 Audit Findings for workers having paid recruitment or employment fees were either successfully corrected or are being corrected through reinforcement of our SEA requirements with nonconformant suppliers. In cases where nonconformances were detected, the RS Team also provided training to help nonconformant suppliers strengthen their management systems to identify, prevent and mitigate future risks.
If our Audit Findings determine that a factory employee paid recruitment or employment fees or were underpaid according to legal requirements, we require the nonconformant suppliers to repay employees for any recruitment or employment fees paid and/or insufficient wages based on local law and Microsoft requirements. In FY20, suppliers in Microsoft’s Devices and CSSC supply chain repaid $766,897 of recruitment fees and insufficient wages to 5,653 supplier employees, including $717,388 of recruitment fees to 2,568 supplier employees. A breakdown of the repayment is shown in the chart below:

<table>
<thead>
<tr>
<th>Repayment type</th>
<th>Amount of repayment</th>
<th>Employees repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devices factories (7 factories shared with CSSC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment fees</td>
<td>$207,445</td>
<td>2,316 employees</td>
</tr>
<tr>
<td>Insufficient wages</td>
<td>$49,509</td>
<td>3,085 employees</td>
</tr>
<tr>
<td>CSSC factories (35 factories)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment fees</td>
<td>$509,943</td>
<td>252 employees</td>
</tr>
<tr>
<td>Insufficient wages</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total recruitment fees repaid</strong></td>
<td><strong>$717,388</strong></td>
<td><strong>2,568</strong></td>
</tr>
<tr>
<td><strong>Total repayment</strong></td>
<td><strong>$766,897</strong></td>
<td><strong>5,653</strong></td>
</tr>
</tbody>
</table>

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Read about our SEA Audit Findings in our FY20 Devices Sustainability Report.

Assessing effectiveness

We apply a strong management system approach that focuses on preventing modern slavery practices and mitigating such practices if they are found to exist in supplier operations. To assess the effectiveness of this approach and to help us identify areas of potential risk, all our suppliers are subject to regular risk assessments and audits that are designed to address identified risks. The risk assessment and audit results are used to improve risk management and supply chain transparency for both Microsoft and for our suppliers. As an example, in FY20, the Responsible Sourcing team continued to integrate with Strategic Sourcing to align and apply product category strategies for greater responsible sourcing impact. We conducted data analysis to identify the specific audit, EHS, labor, and RSRM risks for each product category, enabling us to tailor our SEA engagement strategies per product. In conjunction, we reviewed the SEA maturity of suppliers across different sourcing categories.
Giving workers a voice

The Workers’ Voice Hotline Program, launched in April 2014, provides factory workers in China with a reliable and anonymous reporting channel managed by a neutral third-party provider. This worker feedback resource enables better transparency and increased efficiency to resolve worker workplace concerns. It also complements and, in certain cases, provides the factory with meaningful feedback on where improvements are needed to meet Microsoft Standards and Requirements. The Workers’ Voice Hotline Program also provides a means to measure the effectiveness of Microsoft programs to address supply chain conformance to our policies and procedures to address modern slavery risk.

In FY20, the RS team extended the Workers’ Voice Hotline Program to 200 factories including 188 Devices and Devices/CSSC shared factories and 12 CSSC factories. This expansion has resulted in coverage for 98.5% of the audited factories in China, including our final assembly and strategic component manufacturing suppliers, leveraging our third-party auditors and providing workers with a way to freely raise their workplace concerns and questions without fear of retaliation or retribution.

This FY20 expansion has enabled the Workers’ Voice Hotline Program to reach 323,459 workers (300,334 workers in Devices and Devices/CSSC shared factories and 23,125 workers in CSSC factories). In FY20, the Hotline received a total of 163 cases (160 cases for Devices and Devices/CSSC shared factories and 3 cases for CSSC factories). Of those cases, 4 cases remain in the follow-up process stage. All other cases have been resolved. The majority of cases received by the Workers’ Voice Hotline in FY20 concerned wages and benefits, humane treatment, working hours, freely chosen employment, legal and customer requirements, sanitation, food, housing and transportation, occupational injury and illness, industry hygiene, and disclosure of information. The RS Team investigated all Hotline cases with support from our third-party auditors. We worked closely with affiliated suppliers to ensure that they addressed any actionable cases in a timely manner and that they mitigated any identified risks.

In FY20, the Hotline received 5 cases (4 cases from Devices and Devices/CSSC shared factories and 1 case from a CSSC factory) of possible allegations of forced labor in our supply chain. After RS Team investigation, 5 cases were confirmed as forced labor cases. All confirmed cases were addressed with factory-led corrective actions and the process and review of conformance evidence was managed by the third-party Hotline Operator. No further questions or allegations were received from the case reporters/workers after the Hotline Operator closed those 5 cases.
A breakdown of data related to the Workers’ Voice Hotline for FY20 is shown in the chart below:

<table>
<thead>
<tr>
<th>Workers’ Voice Hotline</th>
<th>Devices factories (includes factories shared with CSSC)</th>
<th>CSSC factories</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of factories covered by the Hotline</td>
<td>188</td>
<td>12</td>
<td>200</td>
</tr>
<tr>
<td>Number of workers covered by the Hotline</td>
<td>300,334</td>
<td>23,125</td>
<td>323,459</td>
</tr>
<tr>
<td>Number of cases received by the Hotline in FY20</td>
<td>160</td>
<td>3</td>
<td>163</td>
</tr>
<tr>
<td>Number of forced labor cases received and addressed by Hotline in FY20</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Capacity building and raising awareness to prevent forced labor

Besides risk assessment and audit management, the RS Team builds understanding and capability among our suppliers and Microsoft employees to prevent and correct forced labor issues and to achieve continuous improvement in supplier performance. In FY20, we leveraged our SEA Academy online platform to scale training across our global supply chain. All final assembly manufacturers and strategic component suppliers completed online training on Microsoft human trafficking and forced labor requirements. Based on the pre-training and post training assessment, 767 supplier participants from 198 suppliers stated that they increased their knowledge of human trafficking and forced labor issues by 18%.

Internally, our Strategic Sourcing team and Factory Management teams received training on human trafficking and forced labor requirements to enable them to incorporate conformance requirements into procurement decisions and to detect and address risks. Detailed requirements were shared to build Microsoft employee awareness regarding the potential risks of forced labor and human trafficking in Microsoft supply chains and how actions can be taken to minimize such risks.

Responsible sourcing of raw materials

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.
Since Microsoft does not harvest or mine the raw materials that are used in our Devices, our focus is on conducting robust due diligence that is aligned to international standards on the source and chain of custody of such minerals. We aim to influence upstream harvesting and mining through our policies and practices to manage the risks inherent in raw materials extraction, harvesting, processing, refining and transportation.

Our approach to raw materials begins with the Microsoft Responsible Sourcing of Raw Materials (RSRM) Policy. The RSRM policy extends the Microsoft Supplier Code of Conduct to raw materials extraction and harvesting processes in support of human rights, labor, health and safety, environmental protection, and business ethics. This policy covers all minerals and materials used in our Devices and packaging, unbounded by geography.

Our RSRM Program is framed by the five steps of the Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and the UN Guiding Principles on Business and Human Rights. As a baseline, Microsoft has incorporated RSRM requirements informed to the OECD Guidance in our Supplier SEA Manual.

RSRM requirements are applicable to our sourcing of all raw materials, including tin, tantalum, tungsten and gold (also called “conflict minerals” or “3TGs”), cobalt, copper, lithium, magnesium and aluminum. The requirements are publicly available in our Supplier SEA Manual Excerpt and included in our direct contracts with hardware and packaging suppliers to our Devices business.

Our directly contracted suppliers contractually agree to incorporating RSRM requirements into their contracts with their sub-tier suppliers. Third-party audits are conducted to assess supplier conformance with these requirements. Suppliers are required to correct any identified nonconformances or risk termination of the Microsoft business relationship. This portion of our RSRM Program, which applies our RSRM requirements across our extended supply chain, is critical because Devices does not directly contract to purchase raw materials and the raw materials extraction phase poses unique human rights and modern slavery risks and challenges.

We map the highest-risk materials (including tin, tantalum, tungsten, gold, and cobalt – “3TGs and cobalt”) throughout our supply chain to trace the smelters and refiners through which they are processed. We have published our latest 3TG and cobalt smelter and refiner list on our website. We have worked to ensure conformance with the Responsible Mining Initiative’s Responsible Mining Assurance Process (RMAP). Aligned with the OECD Guidance, the RMAP is one of the most utilized and respected resources for addressing supply chain responsible sourcing issues. The RMAP uses independent third-party audits to assess and monitor smelter or refiner conformance with the OECD Guidance-aligned standard that assesses risk of direct or indirect support of non-state armed actors, bribery, and money laundering, as well as forced or compulsory labor and the worst forms of child labor.
We reported significant responsible sourcing traceability and transparency improvements covering 3TGs and cobalt in our most recent Conflict Minerals Report, including:

- All in-scope suppliers reported Conflict Minerals Reporting Template (CMRT) data to Microsoft, resulting in a response rate increase from 98% to 100%;
- The number of conformant 3TG Smelter or Refiners (SORs) identified in Microsoft Devices’ supply chain -- those that have been independently audited against the RMAP or equivalent OECD Guidance-aligned standard that assesses the risk of, among other things, forced or child labor -- was 232 out of 233 total SORs, an increase from 84.6% to 99.6%;
- The number of conformant 3TG SORs identified in Microsoft Devices’ supply chain, which sourced from a Covered Country, was 43 out of 43 – a 100% conformance rate.

Please see our [Conflict Minerals Report](#) for detailed results of our conflict minerals due diligence process

Impact of COVID-19 on our Responsible Sourcing Program

The COVID-19 outbreak posed unique challenges for our supply chain. From the start of the outbreak in early 2020, we worked with our China-based supplier factories to ensure the safety of their workers and continued compliance with our human rights and labor standards.

A portion of our FY20 planned responsible sourcing audits (21%) were impacted by the pandemic with 10% of audits postponed to FY21. During FY20, we worked with the industry and our audit firms to develop methodologies to monitor supplier performance and build resiliency into our program to achieve supplier conformance under unusual and unpredictable circumstances. Maintaining compliance and resilience during the global pandemic were our top priorities. We leveraged the SEA Academy to continue to engage with suppliers throughout the COVID-19 outbreak, communicating timely information and guidance to help them proactively mitigate and manage risks. As the outbreak in China progressed, we reviewed and shared best practices aligned with World Health Organization (WHO) and local country guidance. We shared this with all our suppliers globally, before the pandemic spread to other countries, supporting them to prepare and develop their risk management processes.

The COVID-19 outbreak posed an unprecedented challenge for our supply chain partners. Consistent with our core values, protecting people is our first priority and this includes our suppliers’ workers. Our main concern was to protect workers from potentially poor health and safety practices, longer working hours or unfair compensation. We emphasized to our suppliers the importance of continuing to comply with labor and human rights laws. We aligned with the Responsible Business Alliance (RBA) and provided guidance to our internal partners, audit firms and suppliers on working hours, ensuring overtime was voluntary and paid at a premium. We stressed the importance of maintaining compliance with all applicable laws and regulations and
Microsoft standards. We also closely monitored the unfolding situation and reviewed processes at factories to identify and contain identified COVID-19 cases and potential factory shutdowns.

Providing leadership insights on evolving government policy across our global footprint enabled sourcing managers to develop strategies to meet our production needs while protecting worker rights. Our Workers’ Voice Hotline was a valuable tool for monitoring worker concerns attributed to COVID-19. During the outbreak in China, we received four grievances related to excessive working hours and pay. We applied robust processes to investigate and remedy these grievances and we put corrective actions in place at the impacted factories.

Cloud Operations + Innovation’s supplier human rights strategy

CO+I has developed a risk-based approach and associated controls for mitigating supplier-related human rights risks. In FY20, CO+I continued to mature its supplier human rights program and mitigation efforts, focusing on our construction business as a top area of risk as identified in an FY19 independent third-party human rights impact assessment. In partnership with key CO+I stakeholders, we have included additional worker welfare components in the existing supplier due diligence workflow, as well as added specific assessment practices related to new supplier engagements. Additionally, reporting procedures have been enhanced to ensure our business has visibility to human trafficking and modern slavery risks and proposed controls early in the supplier engagement process.

Microsoft Procurement

Microsoft’s customers and investors increasingly request information about our corporate social responsibility (CSR) engagement with our indirect suppliers. Understanding our suppliers’ ability to manage CSR issues and working with suppliers with strong sustainability performance enables Microsoft Procurement to respond to these requests, increases the resiliency of our operations, and enhances our business performance. Our CSR requirements for indirect suppliers leverage existing reports, frameworks, disclosure tools, and assessments. Our approach is efficient and promotes convergence towards best-in-class sustainability performance.

We require our top suppliers to provide a third-party Environmental, Social, Governance (ESG) rating. Suppliers share high priority improvement areas, outline specific corrective actions being implemented, and report compliance timelines. These actions are actively being tracked to ensure improved human rights performance. In addition to third-party ESG ratings, we also request our top indirect suppliers to publish a Corporate Responsibility Report with at least one relevant Global Reporting Initiative metric. By increasing our suppliers’ reporting transparency and requiring the completion of an ESG rating assessment, Microsoft Procurement is committed to advancing the human rights and sustainability performance of our top suppliers.
GitHub

GitHub deplores the presence and persistence of modern slavery and child labor and takes its responsibility to ensure that neither modern slavery nor child labor takes place in its supply chain or in any part of its business seriously.

GitHub does not conduct manufacturing or produce hardware, nor does GitHub use recruitment agencies for the kinds of services often performed by migrant workers. The nature of GitHub's business does not subject it to sudden changes in workload or pricing pressures, which often drive demand for practices that increase the risk of forced labor in supply chains, such as forced overtime. GitHub's supply chain consists of goods and services for its products and operations including computing services, event planning, purchase of retail and promotional items, office supplies, and leasing of facilities such as office space and data centers.

GitHub’s Statement Against Modern Slavery and Child Labor describes GitHub's policies in relation to modern slavery and child labor, labor policies and practices, and due diligence processes. Furthermore, GitHub’s contracts require its suppliers to agree to comply with its Statement, which includes assuring that they have practices consistent with its Statement, and compliant to laws related to modern slavery or child labor. More specifically, GitHub requires its suppliers to:

- Not use, participate in, support, or tolerate modern slavery or child labor;
- Not use misleading or fraudulent recruitment or engagement practices for employees or contract workers;
- Not charge employees or contract workers recruitment or engagement fees;
- Not destroy, conceal, confiscate, or otherwise deny access by an employee or any contract worker to passport, driver’s license, or other identity documents;
- Allow GitHub to terminate our agreements with them for any violation of its obligations related to modern slavery or child labor; and
- RemEDIATE any harms caused to any worker found to be subjected to any form of modern slavery or child labor, if required by law.

In addition, GitHub strongly encourages its suppliers to:

- Conduct anti-modern slavery and child labor due diligence processes, including risk assessments, for their suppliers;
- Take steps to address risks identified; and
- Use similar anti-modern slavery and child labor language with their suppliers.

GitHub began re-onboarding all vendors in January 2020 with a requirement for all existing vendors to meet the Microsoft Supplier Code of Conduct in lieu of GitHub’s Statement Against Modern Slavery and Child Labor.
LinkedIn

As part of the broader Microsoft enterprise, LinkedIn seeks to make a positive and lasting impact on the world. That means respecting human rights—including privacy rights—everywhere we do business. In accordance with LinkedIn’s values and shared Standards of Business Conduct, we support the goals of the UK and Australia Modern Slavery Acts and take steps to help ensure that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

In practice, this means that we prohibit the use of involuntary or forced labor by our suppliers. Though LinkedIn is not engaged in manufacturing, our business nonetheless carries a risk of encountering human rights violations. Accordingly, we require that our business partners go through a detailed screening process designed to identify possible compliance issues.

We require all third-party suppliers doing business with LinkedIn to adhere to our standard services agreements under which they are also required to comply with our Code of Conduct for Doing Business with LinkedIn (“Business Code”) and to prohibit their affiliates, subcontractors and extended supply chain from engaging in corrupt business practices and violations of human rights. We insist that our suppliers:

- Respect and enrich global communities by using only voluntary labor;
- Fairly compensate workers for the work performed on behalf of LinkedIn;
- Prohibit the use of child labor and all forms of forced or compulsory labor, not only in their own operations but in those of their affiliates, subcontractors, and extended supply chain; and
- Respect employee rights of association and collective bargaining, consistent with local laws.

In addition, we provide all third parties and their delegates with access to our whistleblower hotline, available 24/7/365 for reports of actual or suspected misconduct, with the option to remain anonymous except where prohibited by local law.

Microsoft engagements that fight modern slavery and human trafficking

We recognize that modern slavery and human trafficking are systemic issues with many complex causes. In addition to our direct efforts to prevent human trafficking in our operations and supply chains, Microsoft also participates, through the contribution of technology, funding, or volunteer service, in several broad efforts to address the root causes of modern slavery and human trafficking. The following engagements and projects demonstrate Microsoft’s active engagement in the fight against modern slavery and human trafficking:
Industry memberships: Microsoft is a member of BSR's Global Business Coalition against Human Trafficking (GBCAT) which is a business-led collaborative initiative working to eliminate human trafficking in global business operations, with a focus on survivor empowerment and employment; small and medium sized enterprise capacity building; and providing resources and guidance.

TIRA: Delays in trafficked victims accessing the resources they need, such as housing, mental health services, and more, increase the vulnerability of victims to being drawn back into the sex trade while they wait for help. Microsoft is helping reduce the time to access services with a platform that provides an accurate, real-time view of available resources, along with a secure line of communication with Service Providers, allowing for exponentially more effectiveness at finding available services to assist each victim or survivor in meeting safety and stabilization needs more quickly. TIRA (Trafficking Interruption Resource Agent) uses Microsoft's Azure Bot Services and LUIS Cognitive services for mobile device updates to availability of services which connects to an application where TIRA interfaces with advocates, victims and survivors. Microsoft has been partnering with REST (Real Escape from the Sex Trade) and the National Trafficking Sheltered Alliance, along with volunteers from Boston University's Spark program and from University of Washington's Impact++ program to build TIRA, which aims to ultimately interrupt the trafficking life cycle globally, by disrupting the wait time that would otherwise prevent victims from finding freedom and stability.

PhotoDNA: Developed in 2009 with Dartmouth College to help the National Center of Missing and Exploited Children (NCMEC), Microsoft PhotoDNA is a free service which helps to identify and remove online child abuse material. Hundreds of organizations and technology companies around the world are using PhotoDNA either directly through our cloud service, or indirectly through integrations with the third party tools they use to perform their jobs” to reduce child exploitation by detecting illegal images by identifying the unique “hash” values of images and matching that value with a database of known illegal content. Microsoft began sharing the first release of PhotoDNA as an on-premise technology in 2009. Since then, this technology has helped curb the exploitation of children around the world by detecting millions of illegal images for reporting to the National Center for Missing and Exploited Children (NCMEC) and other appropriate authorities.

Child Finder Service: Thorn and Microsoft have been working together for several years now to fight child exploitation and human trafficking. In addition to sharing PhotoDNA technology with Thorn, Microsoft has provided technology and volunteers in support of a project originally called “Child Finder Service;” this project emerged from Microsoft hackathons initiated in 2015 and 2016, and culminated in the donation of technology to Thorn for inclusion within their Spotlight product. These innovations have since been augmented by other technologies to help find missing children faster.
Microsoft technology grants are now helping Project VIC to identify and rescue children from sexual exploitation, including but not limited to children who are being trafficked for sex. The self-stated goal of Project VIC is to “create an ecosystem of information and data sharing between domestic and international law enforcement agencies all working on crimes facilitated against children and the sexual exploitation of children.” Project VIC allows agencies to leverage aggregate data, technologies, and innovation. Microsoft is proud to supply this organization with foundational technology components including PhotoDNA as well as cloud and AI elements provided by Microsoft Azure.

Global Emancipation Network (GEN) is an organization that is using computer vision, text analytics, and other AI services to identify trafficking patterns and trends across illicit content sources around the world. Its flagship product ‘Minerva’ performs data analysis to look for signals indicating possible human trafficking. Microsoft supplies GEN with technology resources as well as volunteers with cloud and AI expertise to help GEN accomplish its mission with greater scale and intelligence.

Microsoft is a founding member of Technology Against Trafficking, which is a collaborative effort of global companies, civil society organizations, academics, technologies, and survivors, all operating with the shared goal of preventing, disrupting, and reducing human trafficking while increasing survivors’ access to resources. The Microsoft team worked with Tech Against Trafficking to develop and release an interactive map of counter-trafficking tools, which uses linked visualizations in Power BI to support tool discovery and technology advocacy. Through a 7-month accelerator program launched by Technology Against Trafficking in July 2019, a Microsoft team worked with the Counter Trafficking Data Collaborative (CDTC) to transform how data on identified victims of trafficking are made available to the counter-trafficking community. This collaboration led to an open-source data publishing solution that uses synthetic data, reportable statistics, and Power BI interfaces to empower all stakeholders to explore and make sense of data for themselves, with the guarantee that no individual (or group below a given size) can ever be identified in published resources.

With Microsoft’s help in the form of donations, technology, and expertise, Seattle Against Slavery has built a platform that addresses both the supply and demand of sex trafficking through technology, human outreach, and broad scale education. It uses Microsoft Azure and Microsoft Cognitive Services to power a software-as-service (SaaS) platform known as Freedom Signal (formerly Project Intercept). This platform is used by nonprofits, social services organizations, and other government agencies, primarily in North America. Freedom Signal amplifies the efficiency of service provider organizations reaching out to victims with critical services, while on the demand side, it proactively intercepts sex buyers with education and deterrence messages, in some cases generating law enforcement tips.

ID2020 represents a consortium of private sector and nonprofit partners looking to explore the development and deployment of digital identities to the 1.1 billion people in the world who still lack the ability to verify themselves. Microsoft and Accenture are founding
partners of this initiative. ID2020 provides grants and a monitoring and evaluation framework for digital identification pilot deployments by a range of organizations around the world. For example, iRespond is an organization that is creating biometric tracking solutions that will enable a ubiquitous, verifiable identity that can be used to disrupt human trafficking and prevent humanitarian incidents.

- The Missing Children Society of Canada has been working with Microsoft to enhance its ability to rapidly find missing children using a combination of mobile and social tactics. Missing Children Europe has been using Microsoft Dynamics to run its operations to locate missing children across more than 30 countries in the EU. Microsoft is supportive of this important work and proud to be providing the cloud technology needed to power this effort.

- Volunteers from Microsoft’s Core Services Engineering team have teamed up with the International Committee of the Red Cross (ICRC) to develop ICRC’s Trace-The-Face system. This allows photos of children to be matched to their families based on familial resemblances. This solution was built using open source libraries and was deployed in November 2019. The technical approach is described in more detail here.

### Our ongoing commitment

Microsoft recognizes our responsibility to respect human rights across our operations, including those of covered subsidiaries, and to minimize the risk of modern slavery and human trafficking in our supply chains. Going forward, we commit to taking the following actions:

- We will reinforce Microsoft’s internal Human Trafficking Prevention Policy and review, improve, and build upon existing governance, risk assessment, internal control, and due diligence activities, policies, programs, and tools across the company to minimize the risk of forced labor in our operations and our supply chains.

- We will continue to build Microsoft’s supplier engagement on topics related to slavery and human trafficking and forced labor through supplier forums, webinars, trainings, and resources for internal and external stakeholders.

- We will further our engagement with relevant industry groups and external stakeholders to define and improve industry best practices and build supplier awareness of forced labor, modern slavery, and human trafficking risks and actions they can take to minimize such risks.

- We will promote collaboration, information sharing, and benchmarking across Microsoft to ensure that human rights risks are assessed in a complimentary and consistent manner and to mitigate the risk of modern slavery and human trafficking in our business and supply chains.

- We will continue to develop technology and contribute to technical and philanthropic efforts to address the root causes of modern slavery and human trafficking.
We recognize that, given the diversity and complexity of local conditions and laws worldwide, and the number of stakeholders involved in modern supply chains, our knowledge and ability to affect change will not be perfect. We therefore invite all readers of this Statement to engage with us in dialogue to help drive improvements in our implementation and performance.

For more information on our efforts, please visit www.microsoft.com/csr.