

Microsoft Device Supply Chain (DSC) Collaborations

COLLABORATION WITH NGOS AND INDUSTRY GROUPS	WHAT WE HAVE ACHIEVED THROUGH THIS PARTNERING
<p>Alliance for E-Waste Solutions in Africa is a small industry group that collaborates with governments in Africa to create or expand sustainable framework policies and long-term solutions for end-of-life product management.</p>	<p>The Alliance contributed to supporting emerging recycling legislation and operations in Ghana, South Africa, Nigeria, and Kenya.</p> <p>The Alliance continues its work in supporting emerging legislation in a number of countries including Tanzania, Uganda, Rwanda, and Ethiopia.</p>
<p>Alliance for Responsible Mining (ARM) is a global initiative established in 2004, working for the sustainable development of artisanal and small-scale mining.</p>	<p>Microsoft partnered with ARM to help create opportunities for gold miners and provide them with incentives to become economically, technologically, and environmentally viable enterprises in a responsible manner. Most recently, Microsoft began working with ARM to develop a market entry standard for artisanal gold miners in conflict and high-risk areas. The standard will provide a pathway for stepwise improvements by artisanal miners.</p>
<p>Business for Social Responsibility (BSR) is a global network of member companies, thought leaders, peers, and stakeholders focused on creating viable sustainability solutions.</p>	<p>HERproject was launched in 2014 and implemented in nine Microsoft suppliers, covering 249,289 trainees by the end of FY17.</p>
<p>Carbon Disclosure Project (CDP) is an international organization providing a global, standardized system for companies and cities to measure, disclose, manage, and share vital environmental information.</p>	<p>Through disclosing our GHG emissions and supply chain water usage information publicly, we create global transparency, trust, and credibility.</p>
<p>Conflict Free Sourcing Initiative (CFSI) is the leading industry initiative on conflict minerals, cosponsored by EICC and GeSI.</p> <p>Conflict-Free Smelter Program</p> <p>CFSP is the flagship program of CFSI. CFSP uses an independent, third-party audit process to identify smelters and refiners that have systems in place to ensure sourcing of only conflict-free materials.</p>	<p>In partnership with CFSI, we were able to increase the number of conflict-free smelters or refiners (SORs) in our supply chain. We increased the number of CFSI-compliant or active SORs from 213 in reporting year 2015 to 249 in reporting year 2016.</p>
<p>Electronic Industry Citizenship Coalition (EICC) is a nonprofit coalition of electronics companies committed to supporting the rights and well-being of workers and communities worldwide affected by the global electronics supply chain.</p>	<p>The EICC code is incorporated into our business through the Microsoft Supplier Code of Conduct (SCC).</p>
<p>Entertainment Software Association (ESA) is the trade association of the video game industry in the United States.</p>	<p>ESA works with Microsoft, Sony, and Nintendo with respect to emerging energy requirements in the United States for game consoles. At present, we are on the docket at the California Energy Commission to determine if console energy use should be regulated. The industry position put forth by the ESA is that the voluntary agreement now in place in the EU is a useful alternative in California as well. Significant energy savings can be achieved in California through a similar agreement, without the need for further legislation.</p>
<p>Game Console Voluntary Agreement steering committee.</p>	<p>Microsoft collaborates with other manufacturers of video game consoles to set aggressive but achievable limits for energy use.</p>

<p>Globe-Sustainability Initiative (GeSI) is a leading source of impartial information, resources, and best practices for achieving integrated social and environmental sustainability through ICT.</p>	<p>We are committed to reducing the direct sustainability effects caused by our products and supporting the use of digital technology to enable sustainable development.</p>
<p>Global Reporting Initiative (GRI) is a nonprofit organization that promotes economic sustainability. It produces one of the world's most prevalent standards for sustainability reporting and corporate social responsibility reporting, the GRI G4 Sustainability Reporting Guidelines.</p>	<p>We follow the most widely used sustainability reporting framework to enable enhanced transparency and accountability.</p>
<p>Information Technology Industry Council (ITI) and its Environmental Policy Committee (EPC) and Regulatory Policy Committee (RPC) provide members with information and the ability to present views regarding developing regulatory changes around the world.</p>	<p>ITI brings together many of the leading technology companies to help governments around the world to implement more effective safety and environmental regulations. We work with their safety and environmental committees to help ensure a high level of product safety and environmental protection without creating unnecessary barriers that would prevent consumers from being able to buy leading-edge products.</p>
<p>The Initiative for Responsible Mining Assurance (IRMA) has developed a Standard that describes social and environmental performance, and a system that delivers recognition for achievement of benchmarks against that Standard. IRMA links investors and private sector purchasers of mined material with mines seeking to lead. The system offers accountability and credibility through multi-stakeholder governance and independent, third-party verification.</p>	<p>We have partnered with multiple stakeholders to implement an independently verifiable, responsible mining assurance system to improve social and environmental performance at the source of minerals used in our products. The new system launch is planned for autumn 2017.</p>
<p>Institute of Public & Environmental Affairs (IPE) is a China-based activist group that aims to expand information disclosure to communities on the hazards and risks in their environment, promoting widespread participation in environmental governance.</p>	<p>Through the IPE website, we quickly identify our suppliers' performance on environmental compliance in China. Since May 2006, IPE has provided a pollution database to monitor corporate environmental performance. IPE's aim is to expand environmental information disclosure to allow communities to fully understand the hazards and risks in the surrounding environment, thus promoting widespread public participation in environmental governance. After partnering with IPE, Microsoft has helped more than 39 suppliers to improve their performance on environmental compliance and closed 49 issues by the end of FY17.</p>
<p>International Consumer Product Health and Safety Organization (ICPHSO) is a nonprofit, volunteer-driven, global membership organization dedicated to providing nonpartisan forums for the exchange of ideas and information on health and safety issues related to consumer products.</p>	<p>Through our membership in ICPHSO, Microsoft benefits by engagement with numerous Fortune 500 companies on best practices involving consumer product safety processes; access to and early insight into consumer product safety issues and proposed legislation by international government regulatory authorities; and a significant network of trade, legal, and regulatory authorities in consumer product safety.</p>
<p>International Product Safety and Liability Prevention Association supplies a constant stream of knowledge, current information, and resources to management teams around the world regarding product safety and product liability prevention, in an effort to help them design and manufacture safer products.</p>	<p>IPSLP helps Microsoft design and manufacture safe products by communicating proposed global product safety and product liability regulations.</p>

<p>International Tin Research Institute (ITRI) is supported by the world's most important tin producers and smelters.</p>	<p>Microsoft works with ITRI to establish long-term sustainability of the tin industry activities designed to promote the safe and responsible production, use, reuse, and recycling of the metal and its inorganic compounds.</p>
<p>ITRI Tin Supply Chain Initiative (ITSCI) is a joint initiative that assists upstream companies (from mine to the smelter) to institute the actions, structures, and processes necessary to conform with the OECD Due Diligence Guidance, including small and midsize enterprises, cooperatives, and artisanal mine sites.</p>	<p>Microsoft supports ITSCI, which promotes an understanding of the upstream supply chain from mine to smelter, and downstream companies (such as product manufacturers). This initiative currently spans 35 countries, and operates at around 1,000 mine sites in Burundi, Rwanda, and the DRC, shipping hundreds of tons of minerals per month, and involving ~80,000 miners, who in turn provide support for ~375,000 dependents.</p>
<p>National Safety Council and Campbell Institute The Campbell Institute is the Center of Excellence for the National Safety Council and is a thought leader in safeguarding workers and protecting the environment.</p>	<p>Microsoft participates in industry collaboration to promote leading-edge performance in environmental health and safety (EHS).</p>
<p>Natural Resources Defense Council (NRDC) creates solutions for lasting environmental change, protecting natural resources in the United States and across the globe.</p>	<p>Microsoft collaborates with the NRDC to protect wildlife and wild places and to ensure a healthy environment for all life on earth by decreasing the energy use of its devices.</p>
<p>Organization for Economic Co-operation and Development (OECD) is an international economic body, founded in 1961, of 34 countries dedicated to stimulating economic progress and world trade.</p>	<p>Microsoft utilizes OECD guidance for supply chain due diligence for conflict minerals and, in addition, programs supported by Microsoft have been cited as examples of best practices in OECD forums.</p>
<p>Pact provides a process and tool for companies to address child labor in their mineral supply chains.</p>	<p>Microsoft supports a Pact project to eliminate child labor at mining sites in the Democratic Republic of the Congo. A survey found that the number of children working at mines decreased by 97 percent during the course of the project.</p>
<p>IEEE Product Safety Engineering Society (PSES) provides ongoing education for its members, keeping them abreast of the latest tools and techniques for addressing product safety and compliance. We are also active on the PSES Technical Activities Committee, which is a hub for industry collaboration regarding the changing regulatory environment worldwide.</p>	<p>Through our membership with the IEEE PSES, we serve the product safety and regulatory profession and the public by fostering the development and facilitation of the exchange of knowledge in the disciplines of product safety and compliance engineering. PSES brings us together with the thought leaders including representatives from many Fortune 500 companies on product safety, product liability, medical devices, safety regulations, forensics, electromagnetic compatibility, and related fields.</p>
<p>Step (Solving the E-Waste Problem) Step is an international initiative composed of manufacturers, recyclers, academics, governments, and other organizations committed to solving the world's e-waste problem. By providing a forum for discussion among stakeholders, Step is actively sharing information, seeking answers, and implementing solutions.</p>	<p>Microsoft collaborates in the development of global guidelines for the treatment of e-waste and the promotion of sustainable material recycling.</p>