# Microsoft Global Human Rights Statement

September 2013

## Our Commitment

As a signatory to the UN Global Compact, Microsoft is committed to respecting all of the human rights described in the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the ILO Declaration on Fundamental Principles and Rights at Work.

We recognize that as a leading technology provider with global operations, our business can help to promote – or be used to impede – human rights. The stakes grow higher every year as information and communications technologies (ICT) become ever more important in how people work, learn and interact with one another.

We recognize the important responsibility we have to respect human rights and we aim to bring the power of technology to bear to promote respect for human rights throughout the world.

## Our Approach

Our commitment to human rights is embodied in our mission of helping people and businesses throughout the world to realize their full potential. We work to foster economic growth and individual opportunity by bringing enabling technologies to literally billions of people. In pursuing our mission, we have adopted a wide range of policies, practices and programs across a number of areas that are important to human rights, including: privacy, security, free expression, labor rights, equality, diversity; and access to education.

We approach this work with an understanding that our efforts do not stand on their own as we are part of many communities around the world.

We work to meet our responsibilities to respect human rights by:

1. Clearly stating our human rights policies and advancing these policies through our business operations and practices;
2. Proactively engaging with stakeholders to obtain input to help evolve our approach;
3. Actively participating in relevant human rights-focused collaborative initiatives, such as the Electronic Industry Citizenship Coalition (EICC); the Global Network Initiative (GNI); the Family Online Safety Institute; et al., and;
4. Communicating annually on the work we are doing to meet our human rights responsibilities through our annual Microsoft Citizenship Report and other communication vehicles.

## Our Philosophy

Our approach to human rights issues is premised on four key beliefs:

**1. The Power of Technology to Promote Human Rights:** Like the wheel and the printing press, ICT products can be used for good or ill – to promote human rights or to retard them. We believe that government, civil society and businesses have an opportunity, and a responsibility, to apply the power of technology to enable individuals to achieve their full potential in accordance with fundamental human rights.

There is a vibrant debate between those who believe that ICT products will inevitably open up closed societies, promote human welfare and strengthen human rights, and others who focus on the risk that ICT products can be used as a source of control and repression. We believe that neither outcome is inevitable. In our view, global society has the power to shape its future through deliberate efforts to utilize the power of technology for good. We believe Microsoft has a responsibility to participate in these efforts to help shape the human rights agendas of governments and other businesses.

**2. A Global Approach:** Business approaches to human rights should be based on internationally recognized standards, especially the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

As a global company operating in more than 100 countries, we believe a human rights strategy should respect all human rights including civil, political, economic, social, and cultural.

**3. Engagement:** Business can most effectively respect human rights through our presence in, rather than absence from, countries that present significant human rights risks.

Within the human rights community many question when it is right for a business to leave (or refuse to enter) a country on human rights grounds. While in some cases a company may decide it is better to leave a country in response to difficult circumstances, Microsoft generally believes that engaging in these difficult environments often holds the greatest promise of promoting human rights, especially in the medium-and long-term. From our perspective, the critical question facing business is "how" to operate within repressive countries to enable people living there to benefit from ICT products the way people do in other, freer countries.

Key factors in making this approach a success include engaging with local stakeholder groups to help shape the local human rights approach, using a company's leverage to respect human rights, and undertaking appropriate due diligence to minimize human rights risk. While we understand the

instinct of avoiding human rights challenges, we believe this engagement-focused approach represents the most promising strategy for Microsoft to advance human rights.

**4. Good Governance and the Rule of Law:** Microsoft believes that businesses respect human rights by modeling and promoting good governance and the rule of law around the world.

Advancing good governance and the rule of law is an important aspect of corporate responsibility. Both are vitally important to human rights. For example, good governance leads to reliable enforcement of labor and environmental laws while the rule of law promotes a criminal justice and national security regime that furthers transparency and fairness for all.

## Key Areas of Impact

We believe Microsoft can best meet our responsibility to respect human rights through our work in five key areas:

**1. Our Products and Partnerships:** Many of our products, including but not limited to Bing, Hotmail, Office and Skype, foster free expression through enabling technology, and also help users protect their privacy. At the same time, like all companies in our sector, we face requirements from governments around the world to comply with domestic laws and policies in ways that at times may conflict with international human rights norms. We are of course obliged to adhere to local law wherever we do business. To meet our human rights responsibilities in these difficult circumstances, we have adopted clear policies requiring our employees to work to meet international human rights norms to the greatest extent possible given local law and to use our influence to encourage the respect for human rights.

Microsoft's over 600,000 business partners – mostly small and medium sized, locally owned foster economic development and opportunity globally. The many millions of jobs created enhance human dignity, strengthen the sense of self-worth, and improve the human condition while strengthening and building communities.

Microsoft joined, with other leading companies, NGOs, investors, and academics in establishing the GNI to further advance free expression and privacy through common principles, implementation guidelines and engagement.

As an innovator and provider of leading edge technology, Microsoft has an opportunity to partner with law enforcement agencies around the world to help ensure and protect the safety and human rights of internet users. Microsoft's Digital Crimes Unit works to make the Internet safer and secure through strong civil enforcement, global partnerships, and policy and technology solutions. Among

the unit's priorities are eliminating human trafficking, protecting child online safety, and fighting child pornography and the sexual exploitation of minors.

2. Our Employees: First and foremost, we respect the rights of our employees in accordance with the ILO Declaration of Fundamental Principles and Rights at Work. We work to do so through various Microsoft policies and programs including: Equal Employment Opportunity Policy; Anti-Discrimination and Harassment Policy; and Standards of Business Conduct. These policies complemented by a full range of programs to support the well-being of our employees and their family members– including employee benefits focused on health, personal wellness, and education.

3. Our Suppliers: Our human rights commitment extends to our 60,000-plus contractors, suppliers, and vendors. All Microsoft vendors must agree to and abide by our Vendor Code of Conduct, which protects workers' rights by setting forth clear standards for ethical business practices, employment practices, and compliance with environmental and worker safety requirements. Through an on-site audit program we monitor compliance with the code on a risk-focused basis.

Microsoft and other stakeholders formed the EICC to enable and encourage electronic manufacturers, software companies, ICT firms and manufacturing service providers to progress towards a vision of a global electronics industry supply chain that consistently operates with social, environmental and economic responsibility. EICC members work seek to address the underlying causes of poor working conditions in the electronics supply chain through worker empowerment programs, training, and efforts to help strengthen rule of law in sourcing countries.

4. Our Communities: Microsoft products empower individuals throughout the world to be successful and reach their full potential. We seek to maximize these opportunities as economic empowerment and opportunity is necessary for the full realization of human rights.

Microsoft products are used every day by millions of people around the world and help to foster free expression. Through our global software donation program, we make software available free of charge to all non-profit organizations that use our technology to address social and civic issues. This program enables human rights organizations in over 100 countries to use our software at no cost to advance their missions at a greatly reduced cost.

We are committed to closing the opportunity gap that many young people face today. Through a number of programs, including the Imagine Cup Grants and the Microsoft IT Academy, we help teach young students the skills necessary to harness the power of technology. We also support teachers and schools around the world by increasing access to technology through partnerships such as our Partners in Learning Program, which focuses on skills development and shared learning for teachers.

For more on our principled business practices visit: microsoft.com/citizenship

## Governance, Due Diligence and Remediation

The Regulatory and Public Policy Committee of Microsoft's Board of Directors is responsible for reviewing the Company's policies and programs relating to matters of corporate citizenship and public policy issues (including human rights) of significance to the Company and its stakeholders. Our General Counsel oversees the implementation of these policies working through members of the Microsoft Legal and Corporate Affairs team.

We assess the human rights impacts of all our operations on an ongoing basis. To best respect human rights, we regularly review and update our relevant policies, processes and management systems.

We also regularly review and strengthen anonymous grievance reporting mechanisms that allow our employees and others affected by our operations to report suspected incidents of human rights abuse. We investigate and, where appropriate, take remedial action to address reported violations.

To more effectively advance and coordinate the thinking in the area of ICT and human rights responsibilities and commitments, we established a Technology and Human Rights Center. The Center unites Microsoft's various efforts to understand and promote the role of technology in protecting human rights and fosters dialogue on these issues with human rights experts and stakeholders.